

**AMENDMENT TO THE AMENDMENT IN THE
 NATURE OF A SUBSTITUTE TO H.R. 609
 OFFERED BY MR. MCKEON OF CALIFORNIA, MR.
 RYAN OF OHIO, AND MR. TIERNEY OF MASSA-
 CHUSETTS**

Simplified needs analysis

Strike section 471 of the Amendment and insert the following:

**1 SECTION 471. SIGNIFICANTLY SIMPLIFYING THE STUDENT
 2 AID APPLICATION PROCESS.**

**3 (a) EXPANDING THE AUTO-ZERO AND FURTHER
 4 SIMPLIFYING THE SIMPLIFIED NEEDS TEST.—**

5 (1) SIMPLIFIED NEEDS TEST.—Section 479 (20
6 U.S.C. 1087ss) is amended—

7 (A) in subsection (b)—

8 (i) in paragraph (1)—

**9 (I) by striking clause (i) of sub-
 10 paragraph (A) and inserting the fol-
 11 lowing:**

**12 “(i) the student’s parents file, or are
 13 eligible to file, a form described in para-
 14 graph (3) or certify that they are not re-
 15 quired to file an income tax return, and**



1 the student files, or is eligible to file, such
2 a form or certifies that the student is not
3 required to file an income tax return, or
4 the student's parents, or the student, re-
5 ceived benefits at some time during the
6 previous 12-month period under a means-
7 tested Federal benefit program as defined
8 under subsection (d); and"; and

9 (II) by striking clause (i) of sub-
10 paragraph (B) and inserting the fol-
11 lowing:

12 "(i) the student (and the student's
13 spouse, if any) files, or is eligible to file, a
14 form described in paragraph (3) or cer-
15 tifies that the student (and the student's
16 spouse, if any) is not required to file an in-
17 come tax return, or the student (and the
18 student's spouse, if any) received benefits
19 at some time during the previous 12-month
20 period under a means-tested Federal ben-
21 efit program as defined under subsection
22 (d); and"; and

23 (ii) in paragraph (3), by striking "A
24 student or family files a form described in
25 this subsection, or subsection (c), as the



1 case may be, if the student or family, re-
2 spectively, files” and inserting “In the case
3 of an independent student, the student, or
4 in the case of a dependent student, the
5 parent, files a form described in this sub-
6 section, or subsection (c), as the case may
7 be, if the student or parent, as appro-
8 priate, files”;

9 (B) in subsection (c)—

10 (i) in paragraph (1), by striking sub-
11 paragraph (A) and inserting the following:

12 “(A) the student’s parents file, or are eligi-
13 ble to file, a form described in subsection (b)(3)
14 or certify that they are not required to file an
15 income tax return, and the student files, or is
16 eligible to file, such a form or certifies that the
17 student is not required to file an income tax re-
18 turn, or the student’s parents, or the student,
19 received benefits at some time during the pre-
20 vious 12-month period under a means-tested
21 Federal benefit program as defined in sub-
22 section (d); and”;

23 (ii) in paragraph (2), by striking sub-
24 paragraph (A) and inserting the following:



1 “(A) the student (and the student’s
2 spouse, if any) files, or is eligible to file, a form
3 described in subsection (b)(3) or certifies that
4 the student (and the student’s spouse, if any)
5 is not required to file an income tax return, or
6 the student (and the student’s spouse, if any)
7 received benefits at some time during the pre-
8 vious 12-month period under a means-tested
9 Federal benefit program as defined in sub-
10 section (d); and”;

11 (C) by adding at the end the following new
12 subsections:

13 “(d) DEFINITION OF MEANS-TESTED FEDERAL
14 BENEFIT PROGRAM.—For the purposes of this section,
15 the term ‘means-tested Federal benefit program’ means
16 a mandatory spending program of the Federal Govern-
17 ment, other than a program under this title, in which eligi-
18 bility for the program’s benefits, or the amount of such
19 benefits, or both, are determined on the basis of income
20 or resources of the individual or family seeking the benefit,
21 and may include such programs as the supplemental secu-
22 rity income program under title XVI of the Social Security
23 Act, the food stamp program under the Food Stamp Act
24 of 1977, the free and reduced price school lunch program
25 established under the Richard B. Russell National School



1 Lunch Act, the temporary assistance to needy families
2 program established under part A of title IV of the Social
3 Security Act, and the women, infants and children pro-
4 gram established under Section 17 of the Child Nutrition
5 Act of 1966, and other programs identified by the Sec-
6 retary.

7 “(e) REPORTING REQUIREMENTS.—The Secretary
8 shall regularly evaluate the impact of the eligibility guide-
9 lines in subsections (b)(1)(A)(i), (b)(1)(B)(i), (c)(1)(A)
10 and (c)(2)(A) of this section. In particular, the Secretary
11 shall evaluate whether, under the definition of means-test-
12 ed Federal benefit programs in subsection (d), the Sim-
13 plified Needs Test continues to be targeted to the max-
14 imum number of low- and moderate-income students.”

15 (b) IMPROVEMENTS TO PAPER AND ELECTRONIC
16 FORMS.—

17 (1) COMMON FINANCIAL AID FORM DEVELOP-
18 MENT AND PROCESSING.—Section 483(a) (20 U.S.C.
19 1090(a)) is amended—

20 (A) by striking paragraphs (1), (2), and
21 (5);

22 (B) by redesignating paragraphs (3), (4),
23 (6), and (7), as paragraphs (9), (10), (11), and
24 (12), respectively;



1 (C) by inserting before paragraph (9), as
2 redesignated by subparagraph (B), the fol-
3 lowing:

4 “(1) IN GENERAL.—The Secretary, in coopera-
5 tion with representatives of agencies and organiza-
6 tions involved in student financial assistance, shall
7 produce, distribute, and process free of charge com-
8 mon financial reporting forms as described in this
9 subsection to be used for application and reapplica-
10 tion to determine the need and eligibility of a stu-
11 dent for financial assistance under parts A through
12 E (other than subpart 4 of part A). These forms
13 shall be made available to applicants in both paper
14 and electronic formats and shall be referred to as
15 the ‘Free Application for Federal Student Aid’ or
16 the ‘FAFSA’ .

17 “(2) EARLY ESTIMATES.—

18 “(A) IN GENERAL.—The Secretary shall
19 permit applicants to complete such forms as de-
20 scribed in this subsection in the years prior to
21 enrollment in order to obtain a non-binding es-
22 timate of the family contribution, as defined in
23 section 473. The estimate shall clearly and con-
24 spicuously indicate that it is only an estimate of
25 family contribution, and may not reflect the ac-



1 tual family contribution of the applicant that
2 shall be used to determine the grant, loan, or
3 work assistance that the applicant may receive
4 under this title when enrolled in a program of
5 postsecondary education. Such applicants shall
6 be permitted to update information submitted
7 on forms described in this subsection using the
8 process required under paragraph (5)(A).

9 “(B) EVALUATION.—Two years after the
10 early estimates are implemented under this
11 paragraph and from data gathered from the
12 early estimates, the Secretary shall evaluate the
13 differences between initial, non-binding early es-
14 timates and the final financial aid award made
15 available under this title.

16 “(C) REPORT.—The Secretary shall pro-
17 vide a report to the authorizing committees on
18 the results of the evaluation.

19 “(3) PAPER FORMAT.—

20 “(A) IN GENERAL.—The Secretary shall
21 produce, distribute, and process common forms
22 in paper format to meet the requirements of
23 paragraph (1). The Secretary shall develop a
24 common paper form for applicants who do not
25 meet the requirements of subparagraph (B).



1 “(B) EZ FAFSA.—

2 “(i) IN GENERAL.—The Secretary
3 shall develop and use a simplified paper
4 application form, to be known as the ‘EZ
5 FAFSA’, to be used for applicants meeting
6 the requirements of section 479(c).

7 “(ii) REDUCED DATA REQUIRE-
8 MENTS.—The form under this subpara-
9 graph shall permit an applicant to submit,
10 for financial assistance purposes, only the
11 data elements required to make a deter-
12 mination of whether the applicant meets
13 the requirements under section 479(c).

14 “(iii) STATE DATA.—The Secretary
15 shall include on the form under this sub-
16 paragraph such data items as may be nec-
17 essary to award State financial assistance,
18 as provided under paragraph (6), except
19 that the Secretary shall not include a
20 State’s data if that State does not permit
21 its applicants for State assistance to use
22 the form under this subparagraph.

23 “(iv) FREE AVAILABILITY AND PROC-
24 ESSING.—The provisions of paragraph (7)
25 shall apply to the form under this subpara-



1 graph, and the data collected by means of
2 the form under this subparagraph shall be
3 available to institutions of higher edu-
4 cation, guaranty agencies, and States in
5 accordance with paragraph (9).

6 “(v) TESTING.—The Secretary shall
7 conduct appropriate field testing on the
8 form under this subparagraph.

9 “(C) PROMOTING THE USE OF ELEC-
10 TRONIC FAFSA.—

11 “(i) IN GENERAL.—The Secretary
12 shall make an effort to encourage appli-
13 cants to utilize the electronic forms de-
14 scribed in paragraph (4).

15 “(ii) MAINTENANCE OF THE FAFSA IN
16 A PRINTABLE ELECTRONIC FILE.—The
17 Secretary shall maintain a version of the
18 paper forms described in subparagraphs
19 (A) and (B) in a printable electronic file
20 that is easily portable. The printable elec-
21 tronic file will be made easily accessible
22 and downloadable to students on the same
23 website used to provide students with the
24 electronic application forms described in
25 paragraph (4) of this subsection. The Sec-



1 retary shall enable students to submit a
2 form created under this subparagraph that
3 is downloaded and printed from an elec-
4 tronic file format in order to meet the fil-
5 ing requirements of this section and in
6 order to receive aid from programs under
7 this title.

8 “(iii) REPORTING REQUIREMENT.—
9 The Secretary shall report annually to
10 Congress on the impact of the digital di-
11 vide on students completing applications
12 for title IV aid described under this para-
13 graph and paragraph (4). The Secretary
14 will also report on the steps taken to elimi-
15 nate the digital divide and phase out the
16 paper form described in subparagraph (A)
17 of this paragraph. The Secretary’s report
18 will specifically address the impact of the
19 digital divide on the following student pop-
20 ulations: dependent students, independent
21 students without dependents, and inde-
22 pendent students with dependents other
23 than a spouse.

24 “(4) ELECTRONIC FORMAT.—



1 “(A) IN GENERAL.—The Secretary shall
2 produce, distribute, and process common forms
3 in electronic format to meet the requirements of
4 paragraph (1). The Secretary shall develop
5 common electronic forms for applicants who do
6 not meet the requirements of subparagraph (C)
7 of this paragraph.

8 “(B) STATE DATA.—The Secretary shall
9 include on the common electronic forms space
10 for information that needs to be submitted from
11 the applicant to be eligible for State financial
12 assistance, as provided under paragraph (6), ex-
13 cept the Secretary shall not require applicants
14 to complete data required by any State other
15 than the applicant’s State of residence.

16 “(C) SIMPLIFIED APPLICATIONS: FAFSA ON
17 THE WEB.—

18 “(i) IN GENERAL.—The Secretary
19 shall develop and use a simplified elec-
20 tronic application form to be used by appli-
21 cants meeting the requirements under sub-
22 section (c) of section 479 and an addi-
23 tional, separate simplified electronic appli-
24 cation form to be used by applicants meet-



1 ing the requirements under subsection (b)
2 of section 479.

3 “(ii) REDUCED DATA REQUIRE-
4 MENTS.—The simplified electronic applica-
5 tion forms shall permit an applicant to
6 submit for financial assistance purposes,
7 only the data elements required to make a
8 determination of whether the applicant
9 meets the requirements under subsection
10 (b) or (c) of section 479.

11 “(iii) STATE DATA.—The Secretary
12 shall include on the simplified electronic
13 application forms such data items as may
14 be necessary to award state financial as-
15 sistance, as provided under paragraph (6),
16 except that the Secretary shall not require
17 applicants to complete data required by
18 any State other than the applicant’s state
19 of residence.

20 “(iv) AVAILABILITY AND PROC-
21 ESSING.—The data collected by means of
22 the simplified electronic application forms
23 shall be available to institutions of higher
24 education, guaranty agencies, and States
25 in accordance with paragraph (9).



1 “(v) TESTING.—The Secretary shall
2 conduct appropriate field testing on the
3 forms developed under this subparagraph.

4 “(D) USE OF FORMS.—Nothing in this
5 subsection shall be construed to prohibit the use
6 of the forms developed by the Secretary pursu-
7 ant to this paragraph by an eligible institution,
8 eligible lender, guaranty agency, State grant
9 agency, private computer software provider, a
10 consortium thereof, or such other entities as the
11 Secretary may designate.

12 “(E) PRIVACY.—The Secretary shall en-
13 sure that data collection under this paragraph
14 complies with section 552a of title 5, United
15 States Code, and that any entity using the elec-
16 tronic version of the forms developed by the
17 Secretary pursuant to this paragraph shall
18 maintain reasonable and appropriate adminis-
19 trative, technical, and physical safeguards to
20 ensure the integrity and confidentiality of the
21 information, and to protect against security
22 threats, or unauthorized uses or disclosures of
23 the information provided on the electronic ver-
24 sion of the forms. Data collected by such elec-
25 tronic version of the forms shall be used only



1 for the application, award, and administration
2 of aid awarded under this title, State aid, or aid
3 awarded by eligible institutions or such entities
4 as the Secretary may designate. No data col-
5 lected by such electronic version of the forms
6 shall be used for making final aid awards under
7 this title until such data have been processed by
8 the Secretary or a contractor or designee of the
9 Secretary, except as may be permitted under
10 this title.

11 “(F) SIGNATURE.—Notwithstanding any
12 other provision of this Act, the Secretary may
13 permit an electronic form under this paragraph
14 to be submitted without a signature, if a signa-
15 ture is subsequently submitted by the applicant.

16 “(5) STREAMLINING.—

17 “(A) STREAMLINED REAPPLICATION PROC-
18 ESS.—

19 “(i) IN GENERAL.—The Secretary
20 shall develop streamlined reapplication
21 forms and processes, including both paper
22 and electronic reapplication processes, con-
23 sistent with the requirements of this sub-
24 section, for an applicant who applies for fi-
25 nancial assistance under this title—



1 “(I) in the academic year suc-
2 ceeding the year in which such appli-
3 cant first applied for financial assist-
4 ance under this title; or

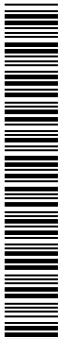
5 “(II) in any succeeding academic
6 years.

7 “(ii) MECHANISMS FOR REAPPLICA-
8 TION.—The Secretary shall develop appro-
9 priate mechanisms to support reapplica-
10 tion.

11 “(iii) IDENTIFICATION OF UPDATED
12 DATA.—The Secretary shall determine, in
13 cooperation with States, institutions of
14 higher education, agencies, and organiza-
15 tions involved in student financial assist-
16 ance, the data elements that can be up-
17 dated from the previous academic year’s
18 application.

19 “(iv) REDUCED DATA AUTHORIZED.—
20 Nothing in this title shall be construed as
21 limiting the authority of the Secretary to
22 reduce the number of data elements re-
23 quired of reapplicants.

24 “(v) ZERO FAMILY CONTRIBUTION.—
25 Applicants determined to have a zero fam-



1 ily contribution pursuant to section 479(c)
2 shall not be required to provide any finan-
3 cial data in a reapplication form, except
4 that which is necessary to determine eligi-
5 bility under such section.

6 “(B) REDUCTION OF DATA ELEMENTS.—

7 “(i) REDUCTION ENCOURAGED.—Of
8 the number of data elements on the
9 FAFSA on the date of enactment of the
10 College Access and Opportunity Act of
11 2005 (including questions on the FAFSA
12 for the purposes described in paragraph
13 (6)), the Secretary, in cooperation with
14 representatives of agencies and organiza-
15 tions involved in student financial assist-
16 ance, shall continue to reduce the number
17 of such data elements following the date of
18 enactment. Reductions of data elements
19 under paragraph (3)(B), (4)(C), or
20 (5)(A)(iv) shall not be counted towards the
21 reduction referred to in this paragraph un-
22 less those data elements are reduced for all
23 applicants.

24 “(ii) REPORT.—The Secretary shall
25 annually report to the House of Represent-



1 atives and the Senate on the progress
2 made of reducing data elements.

3 “(6) STATE REQUIREMENTS.—

4 “(A) IN GENERAL.—The Secretary shall
5 include on the forms developed under this sub-
6 section, such State-specific data items as the
7 Secretary determines are necessary to meet
8 State requirements for need-based State aid
9 under section 415C, except as provided in para-
10 graphs (3)(B)(iii) and (4)(C)(iii) of this sub-
11 section. Such items shall be selected in con-
12 sultation with State agencies in order to assist
13 in the awarding of State financial assistance in
14 accordance with the terms of this subsection,
15 except as provided in paragraphs (3)(B)(iii) and
16 (4)(C)(iii) of this subsection. The number of
17 such data items shall not be less than the num-
18 ber included on the form on October 7, 1998,
19 unless a State notifies the Secretary that the
20 State no longer requires those data items for
21 the distribution of State need-based aid.

22 “(B) ANNUAL REVIEW.—The Secretary
23 shall conduct an annual review process to deter-
24 mine which forms and data items the States re-
25 quire to award need-based State aid and other



1 application requirements that the States may
2 impose.

3 “(C) STATE USE OF SIMPLIFIED FORMS.—
4 The Secretary shall encourage States to take
5 such steps as necessary to encourage the use of
6 simplified application forms, including those de-
7 scribed in paragraphs (3)(B) and (4)(C), to
8 meet the requirements under subsection (b) or
9 (c) of section 479.

10 “(D) FEDERAL REGISTER NOTICE.—The
11 Secretary shall publish on an annual basis a no-
12 tice in the Federal Register requiring State
13 agencies to inform the Secretary—

14 “(i) if the State agency is unable to
15 permit applicants to utilize the simplified
16 application forms described in paragraphs
17 (3)(B) and (4)(C); and

18 “(ii) of the State-specific data that
19 the State agency requires for delivery of
20 State need-based financial aid.

21 “(E) STATE NOTIFICATION TO THE SEC-
22 RETARY.—

23 “(i) IN GENERAL.—Each State agency
24 shall notify the Secretary—



1 “(I) whether the State permits
2 an applicant to file a form described
3 in paragraph (3)(B) or paragraph
4 (4)(C) of this subsection for purposes
5 of determining eligibility for State
6 need-based grant aid; and

7 “(II) the State-specific data that
8 the State agency requires for delivery
9 of State need-based financial aid.

10 “(ii) ACCEPTANCE OF FORMS.—In the
11 event that a State does not permit an ap-
12 plicant to file a form described in para-
13 graph (3)(B) or paragraph (4)(C) of this
14 subsection for purposes of determining eli-
15 gibility for State need-based grant aid—

16 “(I) the State shall notify the
17 Secretary if the State is not permitted
18 to do so because of either State law or
19 because of agency policy; and

20 “(II) the notification under sub-
21 clause (I) shall include an estimate of
22 the program cost to permit applicants
23 to complete simplified application
24 forms under paragraphs (3)(B) and
25 paragraph (4)(C) of this subsection.



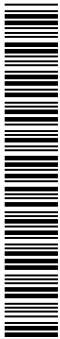
1 “(iii) LACK OF NOTIFICATION BY THE
2 STATE.—If a State does not notify the
3 Secretary pursuant to clause (i), the Sec-
4 retary shall—

5 “(I) permit residents of that
6 State to complete simplified applica-
7 tion forms under paragraphs (3)(B)
8 and paragraph (4)(C) of this sub-
9 section; and

10 “(II) not require any resident of
11 that State to complete any data pre-
12 viously required by that State under
13 this section.

14 “(7) CHARGES TO STUDENTS AND PARENTS
15 FOR USE OF FORMS PROHIBITED.—

16 “(A) FEES PROHIBITED.—The FAFSA, in
17 whatever form (including the EZ-FAFSA,
18 paper, electronic, simplified, or reapplication),
19 shall be produced, distributed, and processed by
20 the Secretary and no parent or student shall be
21 charged a fee for the collection, processing, or
22 delivery of financial aid through the use of the
23 FAFSA. The need and eligibility of a student
24 for financial assistance under parts A through
25 E of this title (other than under subpart 4 of



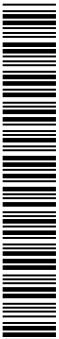
1 part A) may only be determined by using the
2 FAFSA developed by the Secretary pursuant to
3 this subsection. No student may receive assist-
4 ance under parts A through E of this title
5 (other than under subpart 4 of part A), except
6 by use of the FAFSA developed by the Sec-
7 retary pursuant to this subsection. No data col-
8 lected on a form for which a fee is charged shall
9 be used to complete the FAFSA.

10 “(B) NOTICE.—Any entity that provides to
11 students or parents, or charges students or par-
12 ents for, any value-added services with respect
13 to or in connection with the FAFSA, such as
14 completion of the FAFSA, submission of the
15 FAFSA, or tracking of the FAFSA for a stu-
16 dent, shall provide to students and parents
17 clear and conspicuous notice that—

18 “(i) the FAFSA is a free Federal stu-
19 dent aid application;

20 “(ii) the FAFSA can be completed
21 without professional assistance; and

22 “(iii) includes the current Internet ad-
23 dress for the FAFSA on the Department’s
24 web site.



1 “(8) APPLICATION PROCESSING CYCLE.—The
2 Secretary shall enable students to submit a form
3 created under this subsection in order to meet the
4 filing requirements of this section and in order to re-
5 ceive aid from programs under this title and shall
6 initiate the processing of applications under this
7 subsection as early as practicable prior to January
8 1 of the student’s planned year of enrollment.”.

9 (2) MASTER CALENDAR.—Section 482(a)(1)(B)
10 (20 U.S.C. 1089) is amended to read as follows:

11 “(B) by March 1: proposed modifications,
12 updates, and notices pursuant to sections 478,
13 479(c)(2)(C), and 483(a)(6) published in the
14 Federal Register;”.

15 (c) INCREASING ACCESS TO TECHNOLOGY.—Section
16 483 (20 U.S.C. 1087ss) is further amended by adding at
17 the end the following:

18 “(e) ADDRESSING THE DIGITAL DIVIDE.—The Sec-
19 retary shall utilize savings accrued by moving more appli-
20 cants to the electronic forms described in subsection (a)(4)
21 to improve access to the electronic forms described in sub-
22 section (a)(4) for applicants meeting the requirements of
23 section 479(c).”.

24 (d) EXPANDING THE DEFINITION OF AN INDE-
25 PENDENT STUDENT.—Section 480(d) (20



1 U.S.C.1087vv(d)) is amended by striking paragraph (2)
2 and inserting the following:

3 “(2) is an orphan, in foster care, or a ward of
4 the court, or was in foster care or a ward of the
5 court until the individual reached the age of 18;”.

