

114TH CONGRESS
1ST SESSION

H. R. 3265

To simplify the process for determining the need and eligibility of students for financial assistance under the Higher Education Act of 1965, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

JULY 28, 2015

Mr. WELCH introduced the following bill; which was referred to the Committee on Education and the Workforce, and in addition to the Committee on Ways and Means, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned

A BILL

To simplify the process for determining the need and eligibility of students for financial assistance under the Higher Education Act of 1965, and for other purposes.

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

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Student Financial Aid
5 Simplification Act”.

6 **SEC. 2. FAFSA SIMPLIFICATION.**

7 Section 483 of the Higher Education Act of 1965 (20
8 U.S.C. 1090) is amended—

1 (1) in subsection (a)—

2 (A) in paragraph (1), by striking “The
3 Secretary” and inserting “Subject to subsection
4 (i), the Secretary”; and

5 (B) in paragraph (6), by striking “The
6 need” and inserting “Subject to subsection (i),
7 the need”; and

8 (2) by adding at the end the following new sub-
9 section:

10 “(i) FAFSA SIMPLIFICATION.—

11 “(1) IN GENERAL.—Beginning academic year
12 2017–2018 and notwithstanding subsection (a)(6) or
13 any other provision of this section, with respect to
14 a student who is a taxpayer or a dependent of a tax-
15 payer and who does not meet the requirements of
16 subsection (b) or (c) of section 479, the need and
17 eligibility of such student for financial assistance
18 under parts A through E (other than subpart 4 of
19 part A) may be determined only by—

20 “(A) authorizing the Secretary to obtain
21 from the Internal Revenue Service income data,
22 and other taxpayer data needed to compute an
23 expected family contribution for the student,
24 from two years prior to the student’s planned
25 enrollment date; and

1 “(B) submitting to the Secretary the sup-
2 plemental information described in paragraph
3 (3).

4 “(2) AUTHORIZATION UNDER THE IRC AND DIS-
5 TRIBUTION OF DATA.—Returns and return informa-
6 tion (as defined in section 6103 of the Internal Rev-
7 enue Code of 1986) may be obtained under para-
8 graph (1)(A) only to the extent authorized by section
9 6103(l)(23) of such Code, except that institutions of
10 higher education and States shall receive, without
11 charge, such information from the Secretary for the
12 purposes of processing loan applications and deter-
13 mining need and eligibility for institutional and
14 State financial aid awards.

15 “(3) SUPPLEMENTAL INFORMATION.—Each
16 student described in paragraph (1) who is applying
17 for financial assistance under parts A through E
18 (other than under subpart 4 of part A) shall submit
19 to the Secretary at such time and in such manner
20 as required by the Secretary, any information that
21 is needed to determine the student’s need and eligi-
22 bility for such financial assistance or to administer
23 the programs under this title, but that is not avail-
24 able from the Internal Revenue Service to the extent
25 authorized by section 6103(l)(23) of the Internal

1 Revenue Code of 1986, including information with
2 respect to the student's—

3 “(A) citizenship or permanent residency
4 status;

5 “(B) dependency status;

6 “(C) registration for selective service;

7 “(D) State and length of legal residence;

8 “(E) family members, including the total
9 number and the number in postsecondary edu-
10 cation;

11 “(F) secondary school completion status;

12 “(G) completion of a first bachelor's de-
13 gree;

14 “(H) email address; and

15 “(I) institution or institutions of higher
16 education in which the student is enrolled or to
17 which the student is applying for admission.

18 “(4) REGULATIONS.—

19 “(A) IN GENERAL.—The Secretary shall
20 prescribe such regulations as may be necessary
21 to carry out this subsection.

22 “(B) INAPPLICABILITY OF RULEMAKING
23 REQUIREMENTS.—Sections 482(c) and 492
24 shall not apply to the regulations required by
25 this paragraph.”.

1 **SEC. 3. AMENDMENTS TO INTERNAL REVENUE CODE OF**
2 **1986.**

3 Section 6103(l) of the Internal Revenue Code of 1986
4 is amended by adding at the end the following new para-
5 graph:

6 “(23) DISCLOSURE OF RETURN INFORMATION
7 TO DETERMINE NEED AND ELIGIBILITY OF STU-
8 DENT FOR FEDERAL STUDENT FINANCIAL AID.—

9 “(A) IN GENERAL.—The Secretary may,
10 upon written request from the Secretary of
11 Education, disclose to officers and employees of
12 the Department of Education return informa-
13 tion with respect to a taxpayer or a dependent
14 of a taxpayer who may be eligible for Federal
15 student financial aid and whose need and eligi-
16 bility for such aid is based in whole or in part
17 on the taxpayer’s income or the income of the
18 parents of the dependent. Such return informa-
19 tion shall be limited to—

20 “(i) taxpayer identity information
21 with respect to such taxpayer;

22 “(ii) the filing status of such tax-
23 payer;

24 “(iii) the adjusted gross income of
25 such taxpayer; and

1 “(iv) any other data of such taxpayer
2 necessary to determine the expected family
3 contribution (within the meaning of part F
4 of title IV of the Higher Education Act of
5 1965 (20 U.S.C. 1087kk et seq.)) of such
6 taxpayer or the dependent of such tax-
7 payer, as applicable.

8 “(B) RESTRICTION ON USE OF DISCLOSED
9 INFORMATION.—Return information disclosed
10 under subparagraph (A) may be used by offi-
11 cers and employees of the Department of Edu-
12 cation only for the purposes of, and to the ex-
13 tent necessary in, processing the student loan
14 application, and establishing need and eligibility
15 for Federal student financial aid, of a taxpayer
16 or a dependent of a taxpayer.

17 “(C) FEDERAL STUDENT LOANS AND
18 GRANTS.—For purposes of this paragraph, the
19 term ‘Federal student financial aid’ means fi-
20 nancial assistance under parts A through E
21 (other than under subpart 4 of part A) of title
22 IV of the Higher Education Act of 1965 (20
23 U.S.C. 1070 et seq.).”.

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