



UNITED STATES DEPARTMENT OF EDUCATION
OFFICE OF THE UNDER SECRETARY

October 15, 2019

Honorable Margaret Wood Hassan
United States Senate
Washington, DC 20510

Dear Senator Hassan:

Thank you for your letter to Secretary Betsy DeVos regarding changes to the Free Application for Federal Student Aid (FAFSA®) form as a result of changes to Internal Revenue Service (IRS) Form 1040. Your letter was referred to my office, and I am pleased to respond. An identical response has been sent to the cosigners of your letter.

The Department of Education's (Department's) goal is to ensure that applicants and their families are never negatively impacted by any changes to the FAFSA® form. To this end, Federal Student Aid (FSA) has taken proactive steps to ensure that the Department of Treasury's changes to the 1040 tax form will not disrupt the financial aid process for FSA's customers.

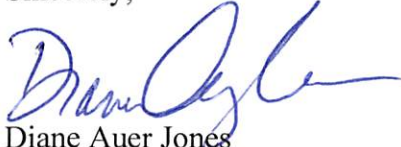
In response to the tax form changes, FSA removed all references to IRS Forms 1040A and 1040-EZ from the FAFSA® form for the 2020-21 processing cycle. Two questions on the 2020-21 FAFSA® form, number 35 for applicants and 82 for parents, now ask directly whether the applicant or parent, as appropriate, filed a Schedule 1 with their IRS Form 1040. The new Schedule 1 question will serve the same purpose as the previous 1040A/EZ question by determining eligibility for the Simplified Needs Test. As you note in your letter, however, applicants will have to self-report the information during the 2020-21 processing cycle; it will not be automatically populated by the IRS Data Retrieval Tool (IRS DRT) as was done with the 1040A/EZ question in previous cycles.

FSA has taken various steps to ensure that this change will not negatively affect applicants' FAFSA® filing experience. Based on feedback received during the 60-day comment period for the 2020-21 FAFSA® form, FSA ultimately revised the wording of questions 35 and 82 to assist applicants in correctly answering these questions and reporting all necessary information. Before revising questions 35 and 82, FSA discussed the issue with numerous external stakeholders. All parties agreed that it was important to preserve a simplified and streamlined FAFSA® filing experience and avoid a highly complex Schedule 1 question. Consistent with the previous treatment of 1040 filers who self-reported that they were eligible to file a 1040A or 1040EZ, the Department did not include Schedule 1 in the verification requirements for the 2020-21 award year.

FSA continues to work closely with the IRS, and FSA intends to implement a solution that will integrate the Schedule 1 question into the IRS DRT for the 2021-22 FAFSA® cycle, absent Congressional action to modify the existing statutory language.

If you have further questions, please have your staff contact the Department's Office of Legislative and Congressional Affairs at (202) 401-0020.

Sincerely,

A handwritten signature in blue ink, appearing to read "Diane Auer Jones", with a stylized, flowing script.

Diane Auer Jones
Principal Deputy Under Secretary
Delegated the Duties of Under Secretary