Dream killers

by the St. Louis Post-Dispatch

In 1980, presidential candidate Ronald Reagan promised that if elected, he would abolish the then-fledgling U.S. Department of Education. He was. He didn't.

But at this time of year - the high season for applying for many of the financial aid programs the department administers - a lot of students and parents can understand Mr. Reagan's sentiments. We're talking governmental malpractice on a breathtaking scale.

The financial aid system is supposed to help make college affordable. It does that, but only for those who can navigate paperwork barriers that serve no discernible public purpose. Families must run a gauntlet of impossible, often incomprehensible, demands for information.

Want to raise your blood pressure? Take a look at the work of Harvard economists Susan Dynarski and Judith Scott-Clayton, specifically a study they published in 2007 called "College Grants on a Postcard."

They dissect the federally required paper work - the Free Application for Federal Student Aid - and compare it to Internal Revenue Service tax forms. Tax time is a cakewalk compared to the burdens imposed on kids and their families by the student aid process.

Federal education officials claim FAFSA forms take just one hour to prepare. The Harvard researchers proved this was pure bunkum. Ten hours is more like it, the study found. And that's assuming the young applicants get help from people familiar with the forms and comfortable with the complexities of financial records. Hard-working, qualified kids from impoverished backgrounds - the very kids many of the programs are designed to help - may find themselves on their own and forced to track down obscure bureaucratic data and to try to get signatures of long-absent parents or document incomes for which no records are kept.

Kids who can't fill out the forms - and then satisfy repeated demands for more and more information, as a recent story by the Post-Dispatch's Steve Giegerich showed - may be out of luck, thanks to inconsistent requirements of different institutions and even make-work, bureaucratic paper pushing.

That's not all.

Under the cockeyed federal grant calendar, applicants don't learn whether they receive aid - or how much - until months after college applications are closed and admissions decisions are made. The specifics of some sorts of student aid are not revealed until after a student has enrolled and paid tuition. The Harvard researchers say that's like a car salesman who discloses a rebate only after the customer has agreed to purchase a car: "Customers scared off by a sticker price would never even learn about the rebate and would walk out not knowing that the car they wanted was affordable," they observe.

Comparisons to the car salesman caricature don't end there.

The system of college aid is a shell game of Pell grants, Supplemental Education Opportunity grants, federal work-study, Perkins loans, HOPE Scholarship credits, Coverdell Education Savings Accounts and more. Some overlap, others pull in opposite directions.

The payoff? The best single element of student financial aid is a $4,000-a-year Pell grant. That's not enough to finance a college education. But it's an excellent foundation on which to assemble a package of financial aid from a variety of sources.

Congress has tried to simplify things, but the education department bureaucracy resists. Meanwhile, college education grows more expensive. The gulf between haves and have-nots in higher education grows wider. Our competitiveness in the global marketplace suffers.

Things do not have to be this way.

Dynarski and Scott-Clayton propose an elegant solution in which applications for college aid are completed on a simple postcard. Applicants learn almost immediately the amount of aid they can expect to receive, allowing them to plan accordingly.

That's do-able, and a nation committed to providing access to higher education should do it.

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