

Simplifying Our Future: FAFSA Simplification and the FUTURE Act

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Overview

- *FAFSA simplification
- *SAI
- *Pell Grant formula changes
- *Need analysis changes
- *Other provisions



Consolidated Appropriations Acts of 2021 and 2022 (FAFSA Simplification Act)

- Replaces EFC with SAI
- Reduces FAFSA questions
- Increases the maximum Pell and other Pell changes
- Eliminates drug conviction and Selective Service questions
- Authorizes Pell for incarcerated students
- Repeals SULA
- Allows ED regulatory authority over cost of attendance
- Requires professional judgment policies
- Allows for provisional independent status
- Expands allowed unaccompanied homeless youth documentation
- Delays full implementation until 2024-25

EFC to SAI



- * Before: Expected Family Contribution
- * After: Student Aid Index
- * SAI used for all Title IV aid except maximum and minimum Federal Pell Grant
- * SAI can go as low as -1500

Pell Grant Changes



- Eliminates the Pell Grant schedule starting in 2024-25
- New way to calculate maximum, minimum Pell Grant

Pell Grant Schedule

Basis change

No longer

EFC

school cost and
enrollment load

Tests:

Automatic maximum grant

Calculated maximum grant

SAI qualification

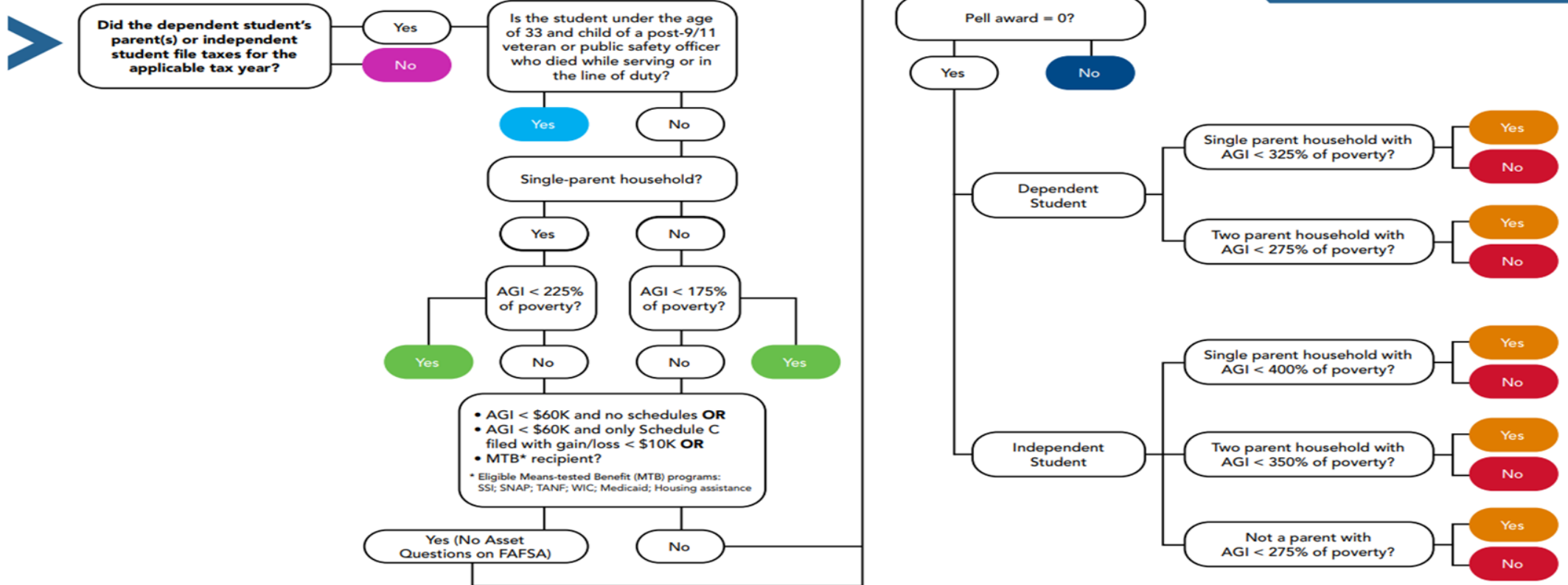
Calculated minimum



Pell Grant Model (Thanks NASFAA!)

FEDERAL METHODOLOGY STUDENT AID ELIGIBILITY DETERMINATION EFFECTIVE 2024-25 FAFSA

This tool is intended to help FAAs visualize how eligibility for Pell grants and other aid will be determined under the provisions of the 2021 Consolidated Appropriations Act. This is not a representation of the applicant experience or actual FAFSA questions.



Maximum Pell:
Auto -1,500 SAI - Other aid types based on SAI.
No Asset Questions on FAFSA.

Maximum Pell:
Auto 0 SAI - Other aid types based on SAI. No asset questions on FAFSA.

Maximum Pell:
Other aid types based on SAI.

Pell Amount Stays at Calculated Amount:
Other aid types based on SAI.

Minimum Pell:
Other aid types based on SAI.

No Pell:
Other aid types based on SAI.

What Does This Mean?



- * Pell Grant determinations will be more complex
 - No longer a number on a chart
 - Algorithm
- * Pell Grant awards will be determined at point of application
 - Something that could not be done using the schedule based on COA
- * “Line of Duty”
 - will have to verify their eligibility with the school.
- * Less than full time
 - will be based on a schedule issued by ED
- * Pell Grants may **ONLY** pay for
 - Tuition, fees and institutionally-charged room and meals.
 - Student consent is required to pay additional charges.

Needs Analysis Changes

- Income protection allowance
 - Significantly increased
 - Based solely on family size; no longer includes number in college
- Foreign income
- Family size
- Number in college
- Removes state and other income allowance
- Removes the family farm and small business asset exclusion



Institutional Use of Data

- FAFSA data is “solely for the application, award and administration of financial aid to the applicant.”
- School may use all information except IRS tax data in research to promote
 - College attendance,
 - Persistence and
 - Completion
- School may not share the data with any other entity without the explicit consent of the applicant
 - Review consulting contracts



FAFSA Application and System Changes



- 4 Goals of Redesigned FAFSA
 - Intuitive
 - Consistent
 - Transparent
 - Efficient
- FAFSA will be available in 11 languages other than English
 - Based on census data
- Provisional independent status
 - Student will be allowed to complete the FAFSA without parent information
 - Will receive estimated Pell Grant, etc. as if the student had submitted a valid FAFSA

Final Thoughts

Resources

https://www.nasfaa.org/fafsa_simplification

<https://fsapartners.ed.gov/home/>

ED training coming in 2023 for the 2024-25 year



Thank You!

- Questions?

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