

FAFSA Simplification Brief for Campus Partners

“FAFSA simplification” refers to the combined impacts of several pieces of legislation passed since 2019. These laws, including the FUTURE Act and the Consolidated Appropriations Acts of 2021 and 2022, **streamline the Free Application for Federal Student Aid (FAFSA) process and make significant changes to student eligibility for federal student aid.**

These changes include:

- Streamlining and simplifying the FAFSA — the application for federal, state, and in many cases, institutional financial aid — by obtaining the applicant’s income information directly from the IRS, removing complex income questions, and shortening the application.
- Changes to Pell Grant eligibility criteria, including new automatic maximum/minimum Pell Grants based on federal poverty guidelines.
- Replacing the Expected Family Contribution (EFC) with the Student Aid Index (SAI), modifying the formula for calculating it, and allowing a floor value of -1500.
- Changes in treatment for multiple family members in college and small businesses/family farms in calculating student aid eligibility.
- New requirements for how institutions calculate food and housing allowances in the cost of attendance (COA).
- Delayed release of the FAFSA for the 2024-25 award year.

The interconnected goals of these changes include simplifying the aid application process, increasing access to postsecondary education, and providing predictability and transparency for Pell Grant eligibility. The changes also aim to improve program integrity through better data accuracy.

Potential impacts on campus:

- Potentially more applicants for admission and/or financial aid applicants due to easier process for applying for student aid.
- Student eligibility changes may require institutions to adjust institutional aid policies.
 - Overall trend toward more Pell recipients with larger Pell Grant awards and higher need for other types of aid, but some students are impacted negatively by the changes and could qualify for less financial aid.
 - Retention concerns for students negatively impacted by changes, unless institutions make up for lost federal/state aid with institutional funding.
- Changes to how institutions calculate the COA for financial aid may impact student aid eligibility and institutional budgets.
- Compressed time frame to make financial aid offers, complete verification, and account for students’ special circumstances, given FAFSA delay.
- New reporting requirements for Federal Work-Study (FWS) require collaboration across departments to obtain calendar year FWS earnings and creation of new reporting structures.
- New FAFSA data-sharing limitations may require that offices outside of the financial aid office that currently use FAFSA data find alternate data sources.
- Institutions are now responsible for proper handling of Controlled Unclassified Information (CUI) in the form of federal taxpayer information (FTI) from the FAFSA.

Resources

- NASFAA FAFSA simplification [web center](#)
 - FAFSA simplification [PowerPoint for campus partners](#)
 - FAFSA simplification [Implementation Checklist](#)
 - [NASFAA Pell Grant eligibility and SAI calculation flowchart](#)
 - NASFAA summaries of changes
 - [FM/Pell changes](#)
 - [Non-FM/Pell changes](#)
 - NASFAA analysis: [Removal of Favorable Treatment for Families with Multiple College Students](#)
 - NASFAA Student Aid Index Modeling [Tool](#)
- Department of Education Federal Student Aid [Estimator](#)
- Department of Education FAFSA [Prototype](#)