

# FAFSA Simplification

## 2023 FACT SHEET



### ABOUT

In December 2020, Congress passed the FAFSA Simplification Act, which makes several significant changes to the FAFSA form and to Pell eligibility criteria. The overall goal of this act is to make the FAFSA easier to complete (through a reduction in the number of questions on the form) and to make need-based aid eligibility easier to understand and predict.

### TIMELINE

The U.S. Department of Education will be implementing these changes in a phased approach, that started with the 21-22 award year and will continue through the 24-25 award year.

**WHAT'S CHANGING?** *There are several significant changes as a result of the FAFSA Simplification Act. These include:*

#### DRUG-RELATED CONVICTION INFORMATION

- Questions related to drug offense convictions will no longer impact financial aid eligibility (effective 2021-22 award year; Question will remain on the FAFSA through 2022-23).

#### SELECTIVE SERVICE STATUS NOT REQUIRED

- Selective Service registration status will no longer impact financial aid eligibility (effective 2021-2022 award year though the question will remain on the FAFSA).

#### EFC REPLACED WITH SAI

- The Expected Family Contribution (EFC) calculation is replaced with a Student Aid Index (SAI) to determine need for need-based programs.

**Important note:** The SAI will allow for a negative number (minimum SAI is -\$1,500) while the EFC bottomed out at zero; allowing neediest students to receive more non-Pell aid.

#### PELL GRANTS FOR INCARCERATED STUDENTS

- Extend Pell Grant usage for incarcerated students in eligible Prisoner Education Programs.

#### PELL GRANT PROTECTION

- Pell Grant lifetime eligibility restored to students whose school closed while they were enrolled or if the school is found to have misled the student.

#### HOUSEHOLD MEMBERS WON'T AFFECT AWARD

- The number of household members in college will no longer play a role in the determination of an applicant's aid eligibility when the SAI is implemented.

#### CHANGES FOR DIVORCED PARENTS

- Changes who is required to report income/assets from the parent who the student lived with the most, to the parent who provided the most financial support to the student.

### IMPACT ON SOUTH CAROLINIANS

A simplified FAFSA should be easier for all South Carolinians to complete, which is an improvement. Not all South Carolinians will financially benefit equally.

#### **South Carolinians who will financially benefit most from FAFSA simplification:**

- Those who were previously ineligible due to being incarcerated or having a drug conviction that disqualified them or had not registered for Selective Service (and were previously required to do so).
- Those with the highest levels of financial aid may become eligible for more non-Pell aid due to having a negative SAI.
- Those who exhausted Pell eligibility at a school that misled them.

#### **South Carolinians who may not financially benefit or see no difference:**

- Middle income families with more than one member in college who benefited from the EFC being divided by multiple family members.
- Middle and higher income South Carolinians who were not previously Pell eligible based on EFC will likely not become Pell eligible based on SAI.
- Some students with divorced parents may have to switch which parent's income is considered, which may change their eligibility if there is an income and asset difference between the parents.

### 2024-2025 FAFSA DELAYED UNTIL DECEMBER 2023

The new version of the simplified FAFSA won't be available to students until **December 2023**.

Students and parents are encouraged to create their FSA IDs now in preparation for the FAFSA in December. A social security number, a mobile phone number and/or email address is required to create an FSA ID.

<https://studentaid.gov/fsa-id/create-account/launch>



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