



# SHEEO

STATE HIGHER EDUCATION EXECUTIVE OFFICERS ASSOCIATION

## FAFSA Simplification Data Modeling Webinar

March 1, 2023

SHEEO and NCSEAA

## Agenda

- Overview of FAFSA Simplification
- Modeling the national impacts of simplification
- Modeling the impacts of simplification in North Carolina

## FAFSA Simplification Act of 2019

- Addresses concerns about the length and complexity of FAFSA and the lack of transparency and predictability in federal awards.
- Goal is to make the FAFSA shorter and less complex and to make eligibility more predictable for students and their families.
- Makes significant changes to methodology for determining eligibility for federal student aid.
- Most provisions scheduled to go into effect on July 1, 2023. Some provisions have phased implementation into the 2024-25 academic year.

## Forthcoming FAFSA Changes

- Expected Family Contribution (EFC) is now Student Aid Index (SAI). SAI can be as low as negative \$1,500.
- Prohibitions for students with drug-related offenses or who fail to register for Selective Service lifted.
- Race/ethnicity and gender information collected on separate forms.
- Various changes to: family size determination, asset calculation, income protection allowances, excludable income, number of family members in college, and family farm/small business asset exclusions.

## State Concerns about FAFSA Simplification

- Communicating FAFSA changes to students, parents, and other stakeholders.
- Statutory changes making state aid programs more regressive.
- Changes in Pell Grant eligibility and award amounts.
- Changes in state financial aid program eligibility and award amounts.
- Shortfalls or surpluses in appropriations due to changes in state financial aid eligibility.

# MODELING IMPACTS OF SIMPLIFICATION

## Data and Methodology

- Used national and state representative data from 2017-18 National Postsecondary Student Aid Study, Administrative Collection (NPSAS:18-AC).
- Data from derived file and FAFSA source data file (from 2018, 2019, and 2020) were run through Stata do file modified from Iowa state program.
- Used data elements from the FAFSA to calculate SAI based on best interpretation of new federal methodology.
- Used new SAI and 2017-18 Pell disbursement tables to estimate Pell Grant had it been awarded based on SAI.

## Data and Methodology

- Output is a web-hosted tool for state agencies to estimate impact of FAFSA simplification for students and financial aid programs.
- Output metrics:
  - EFC in NPSAS vs. calculated SAI
  - Pell Grant amount in NPSAS vs. estimated Pell Grant using SAI
  - Change from EFC to SAI (in dollars)
  - Change in Pell Grant award (in dollars)



## Output Metrics

- Results filtered by:
  - Institution state
  - Sector (public 2-year and public 4-year)
  - Student dependency status, race/ethnicity, gender, number in college
- Data available for:
  - 30 states overall
  - 36 states in the public 2-year sector
  - 45 states in the public 4-year sector

# NATIONAL RESULTS: TABLES

## Overall Findings at National Level

	Non-Pell Eligible (old formula)*		Pell Eligible (old formula)		TOTAL
	Weighted N	Percent	Weighted N	Percent	
<b>Non-Pell Eligible (new formula)</b>	2,762,800	57.1%	8,060	0.1%	2,770,860
<b>Pell Eligible (new formula)</b>	2,071,400	42.9%	7,259,710	99.9%	9,331,110
<b>TOTAL</b>	4,834,200	100%	7,267,770	100%	

\* Pell eligibility in NPSAS is defined as receiving greater than \$0 in Pell Grants in the 2017-18 academic year. Some students who would have been eligible for Pell Grants under the old/current formula received \$0 in Pell Grants and are thus considered non-Pell eligible for the purposes of this analysis. These students are captured in the *Non-Pell Eligible (old formula)* column.

## Decreases in SAI

Dollar Amount Change (SAI – EFC)	Weighted Count	Percent
-\$10,000 or more	573,770	4.8%
-\$7,500	993,800	8.2%
-\$5,000	1,828,100	15.1%
-\$2,500	5,640,090	46.6%
-\$1,000	95,250	0.8%
-\$750	91,880	0.8%
-\$500	39,910	0.3%
-\$400	39,830	0.3%
-\$300	36,550	0.3%
-\$200	49,790	0.4%
-\$100	114,610	1.0%

## Increases in SAI

Dollar Amount Change (SAI – EFC)	Weighted Count	Percent
\$0	1,582,190	13.1%
\$100	12,570	0.1%
\$200	11,540	0.1%
\$300	11,980	0.1%
\$400	11,440	0.1%
\$500	10,170	0.1%
\$750	27,030	0.2%
\$1,000	22,970	0.2%
\$2,500	120,450	1.0%
\$5,000	130,930	1.1%
\$7,500 or more	657,110	5.4%

## Decreases in Pell Grants

Dollar Amount Change (New Pell – Old Pell)	Weighted Count	Percent
-\$7,500	3,430	0.0%
-\$5,000	99,190	1.1%
-\$2,500	292,030	3.1%
-\$1,000	43,710	0.5%
-\$750	158,720	1.7%
-\$500	28,400	0.3%
-\$400	16,990	0.2%
-\$300	24,890	0.3%
-\$200	26,390	0.3%
-\$100	29,560	0.3%
\$0	711,780	7.6%

## Increases in Pell Grants

<b>Dollar Amount Change (New Pell – Old Pell)</b>	<b>Weighted Count</b>	<b>Percent</b>
\$100	69,250	0.7%
\$200	44,410	0.5%
\$300	40,350	0.4%
\$400	46,410	0.5%
\$500	51,780	0.6%
\$750	349,420	3.7%
\$1,000	240,730	2.6%
\$2,500	1,885,470	20.2%
\$5,000	3,719,260	39.8%
\$7,500	1,041,200	11.2%
\$8,880	414,840	4.4%

## EFC vs SAI Crosstabs (Counts)

	SAI Category										
	<\$0	\$0	\$1-\$1,000	\$1,001-\$3,000	\$3,001-\$5,000	\$5,001-\$7,000	\$7,001-\$9,000	\$9,001-\$11,000	\$11,001-\$13,000	\$13,001-\$15,000	>\$15,000
\$0	3,727,880	1,581,600	3,480	2,680	1,260	990	240	210	170	110	3,120
\$1-\$1,000	604,960	300,850	1,020	830	670	840	170	540	0	40	50
\$1,001-\$3,000	800,550	151,490	240,950	62,770	5,230	870	910	760	280	100	660
\$3,001-\$5,000	164,210	24,290	200,510	453,020	91,440	14,570	2,330	2,840	590	300	1,320
\$5,001-\$7,000	22,820	9,810	26,130	171,220	222,120	71,690	27,240	8,110	4,040	1,540	5,190
\$7,001-\$9,000	12,560	5,900	4,180	32,070	103,640	133,330	51,210	29,910	19,940	8,300	16,200
\$9,001-\$11,000	5,470	1,770	2,140	8,910	35,840	74,960	72,590	22,750	24,670	29,090	43,240
\$11,001-\$13,000	3,830	1,020	3,260	2,880	10,500	31,570	58,680	60,010	15,030	11,060	84,800
\$13,001-\$15,000	2,870	330	1,160	3,100	2,920	10,030	30,450	45,940	35,780	11,870	75,880
>\$15,000	18,340	6,810	2,340	7,770	5,040	7,220	15,630	37,450	74,080	94,250	1,569,800

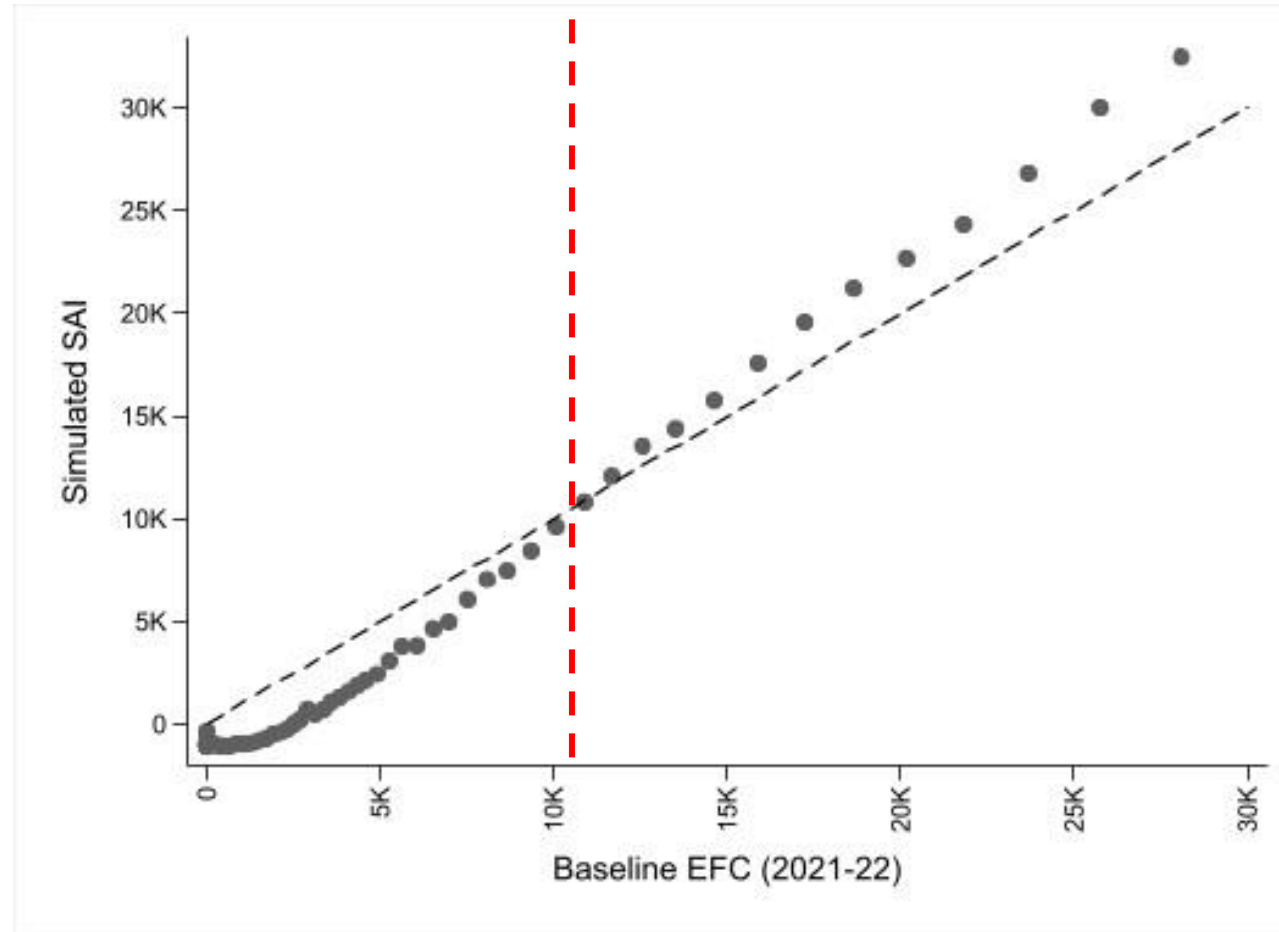


## EFC vs SAI Crosstabs (Percentages)

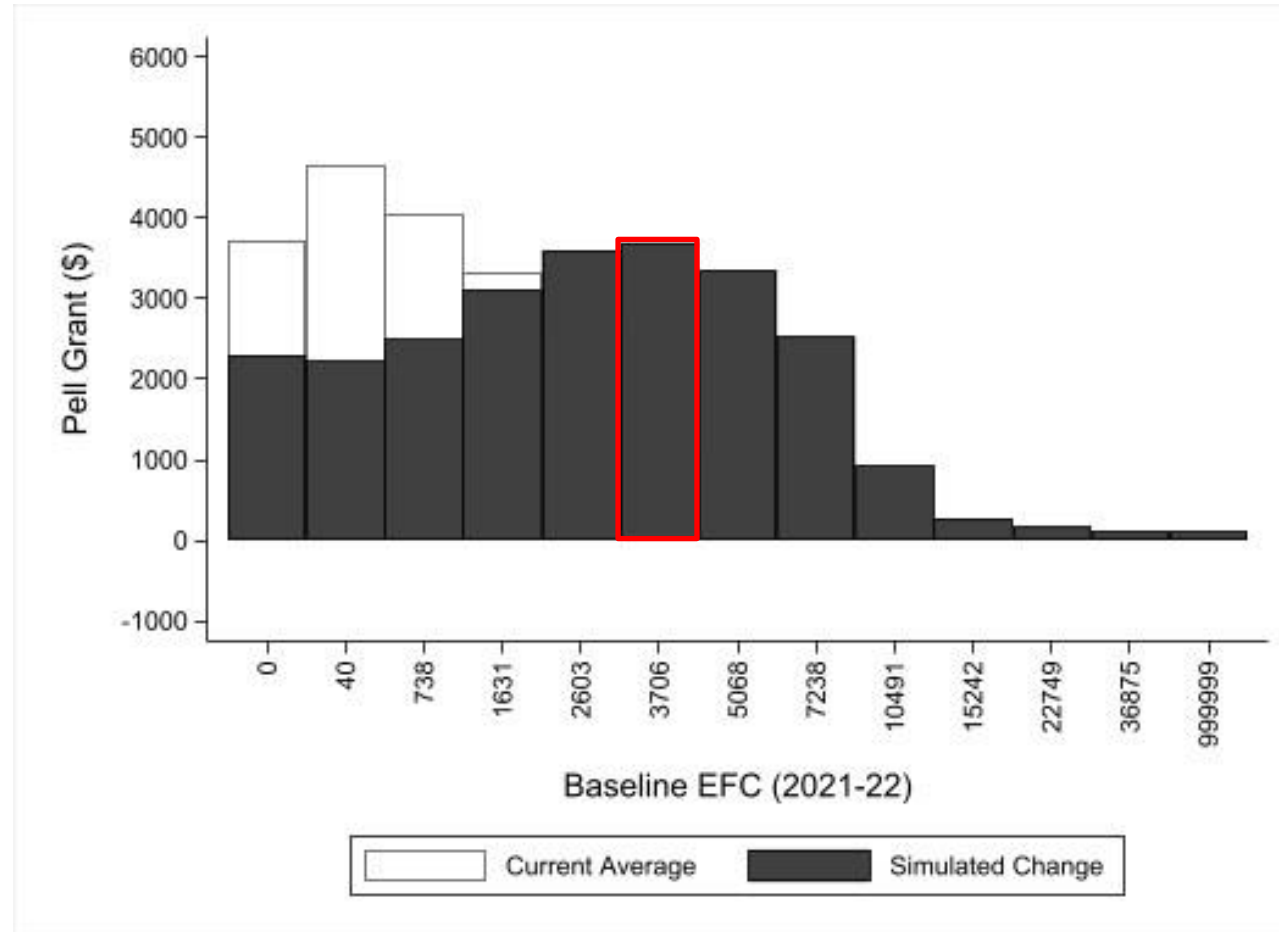
		SAI Category										
		<\$0	\$0	\$1-\$1,000	\$1,001-\$3,000	\$3,001-\$5,000	\$5,001-\$7,000	\$7,001-\$9,000	\$9,001-\$11,000	\$11,001-\$13,000	\$13,001-\$15,000	>\$15,000
EFC Category	\$0	70.1%	29.7%	0.1%	0.1%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.1%
	\$1-\$1,000	66.5%	33.1%	0.1%	0.1%	0.1%	0.1%	0.0%	0.1%	0.0%	0.0%	0.0%
	\$1,001-\$3,000	63.3%	12.0%	19.1%	5.0%	0.4%	0.1%	0.1%	0.1%	0.0%	0.0%	0.1%
	\$3,001-\$5,000	17.2%	2.5%	21.0%	47.4%	9.6%	1.5%	0.2%	0.3%	0.1%	0.0%	0.1%
	\$5,001-\$7,000	4.0%	1.7%	4.6%	30.0%	39.0%	12.6%	4.8%	1.4%	0.7%	0.3%	0.9%
	\$7,001-\$9,000	3.0%	1.4%	1.0%	7.7%	24.8%	32.0%	12.3%	7.2%	4.8%	2.0%	3.9%
	\$9,001-\$11,000	1.7%	0.6%	0.7%	2.8%	11.1%	23.3%	22.6%	7.1%	7.7%	9.0%	13.5%
	\$11,001-\$13,000	1.4%	0.4%	1.2%	1.0%	3.7%	11.2%	20.8%	21.2%	5.3%	3.9%	30.0%
	\$13,001-\$15,000	1.3%	0.1%	0.5%	1.4%	1.3%	4.6%	13.8%	20.9%	16.2%	5.4%	34.4%
	>\$15,000	1.0%	0.4%	0.1%	0.4%	0.3%	0.4%	0.9%	2.0%	4.0%	5.1%	85.4%

# NATIONAL RESULTS: FIGURES

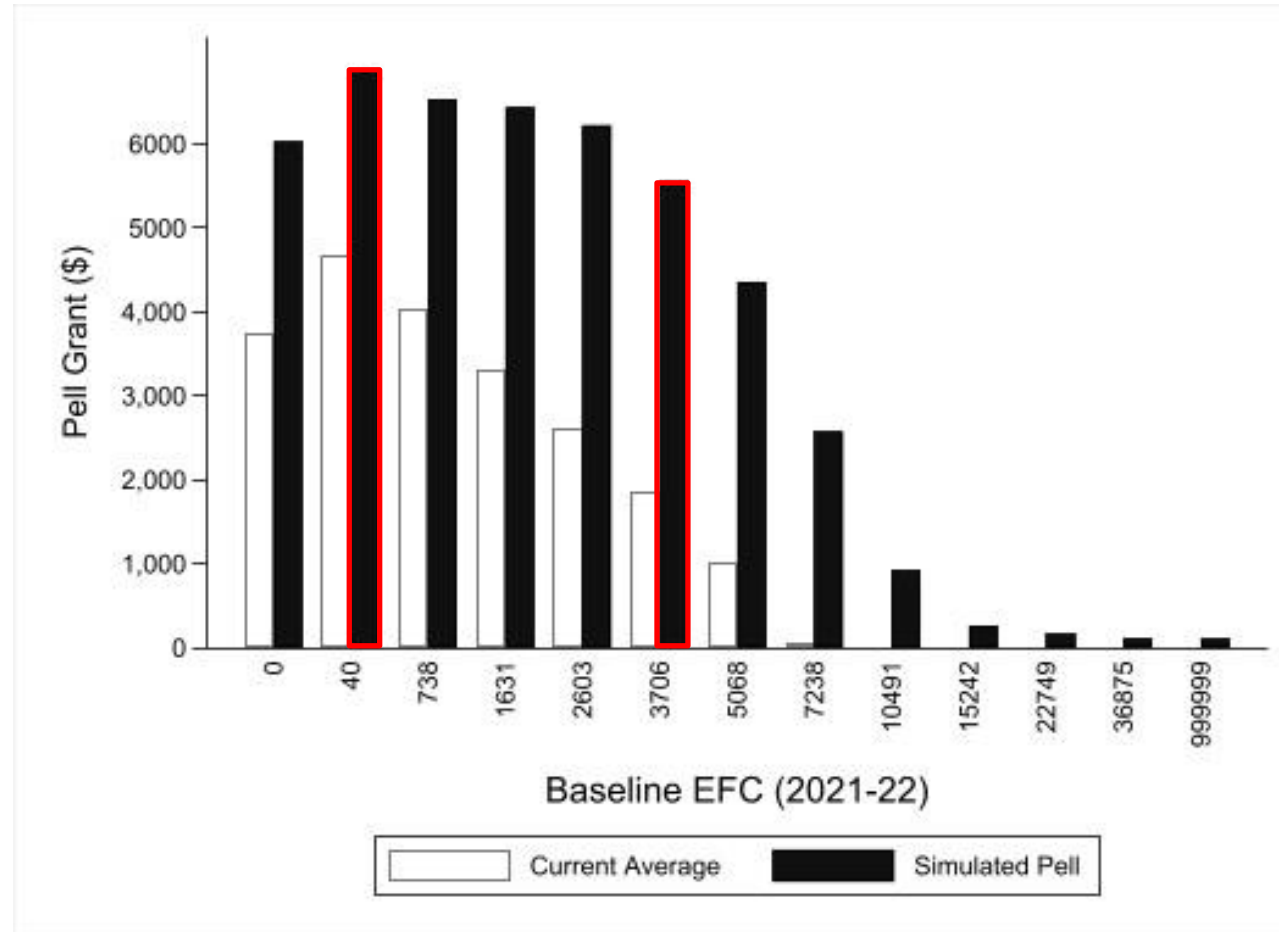
# All Students



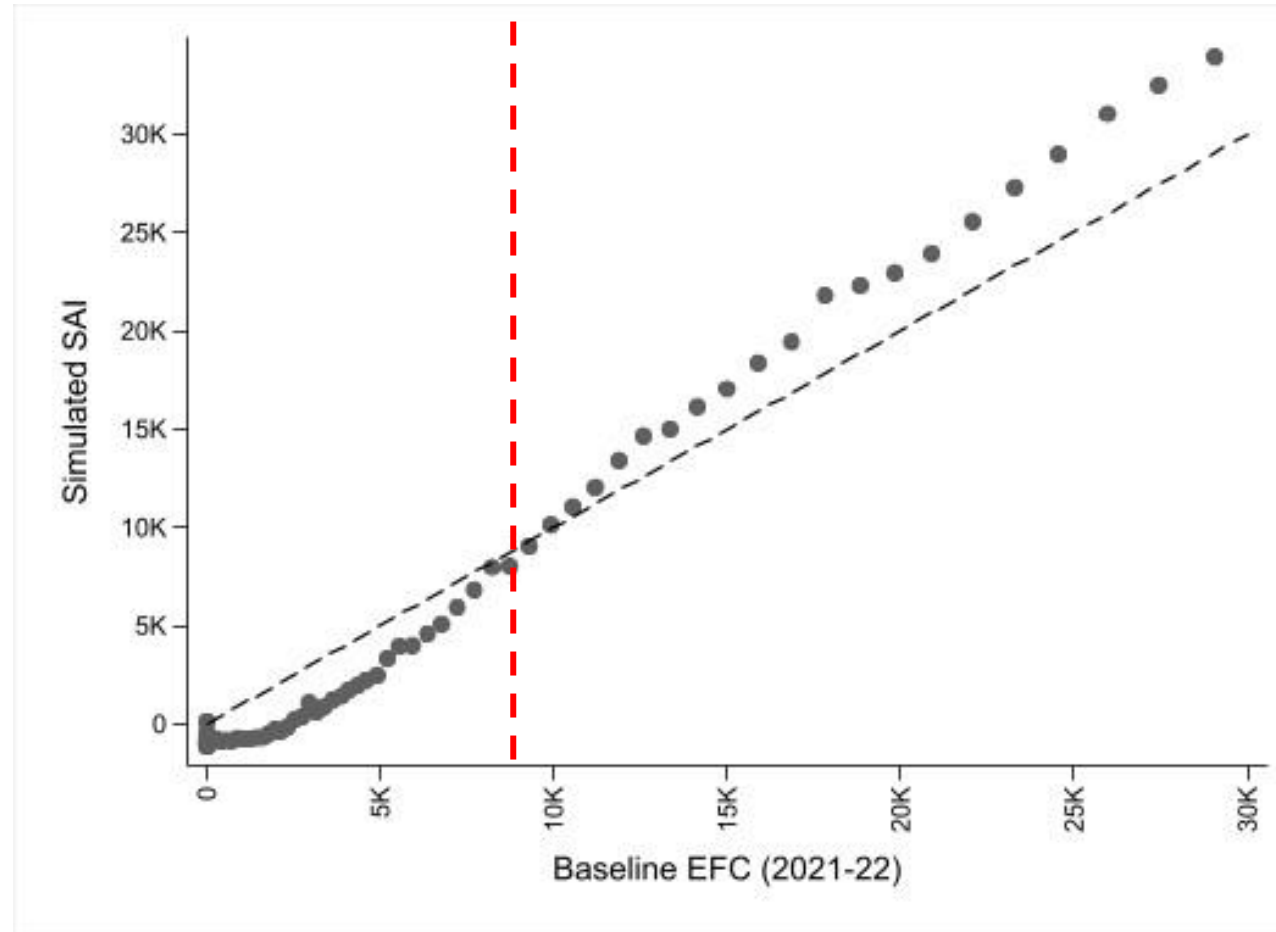
# All Students



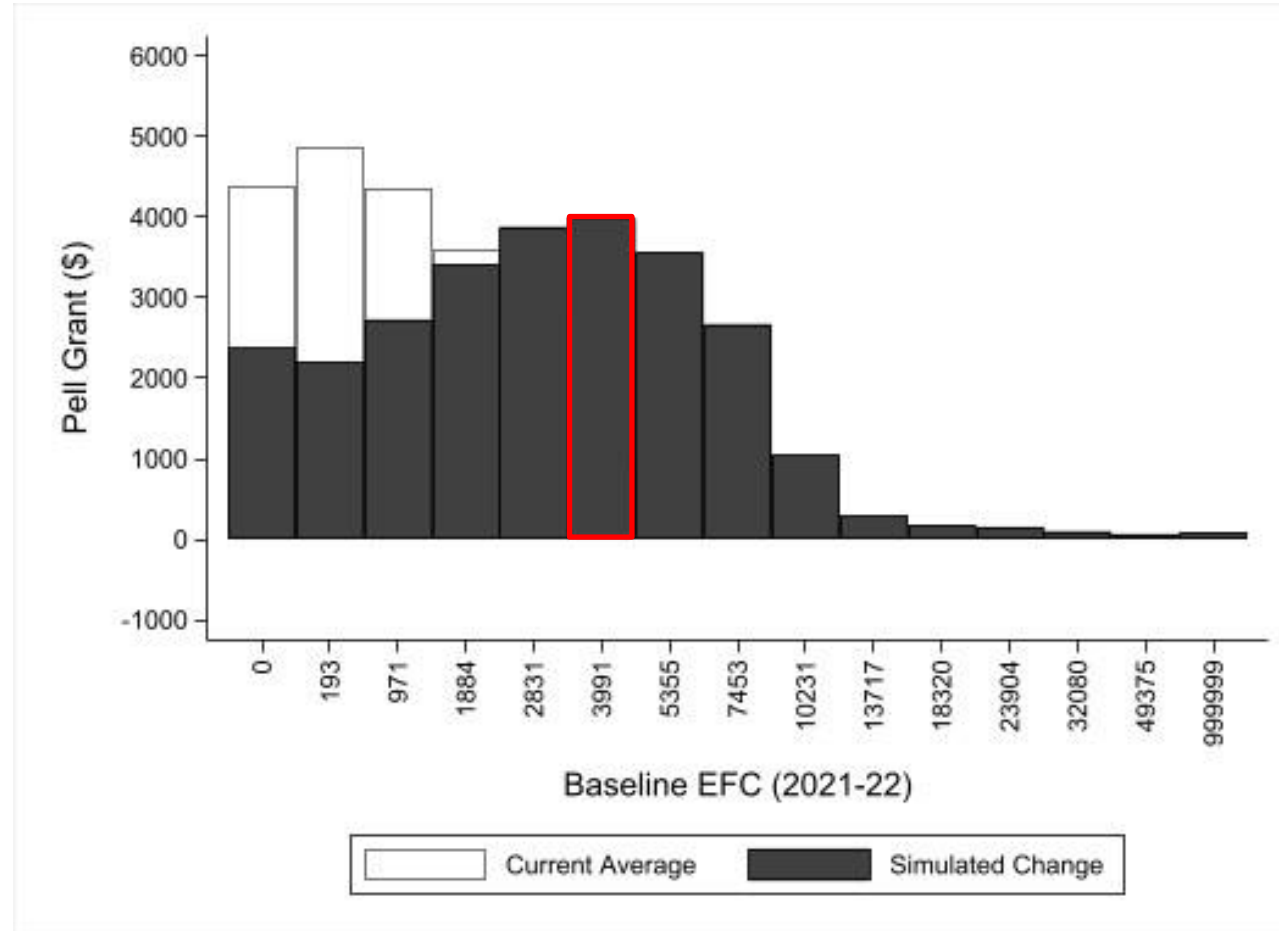
# All Students



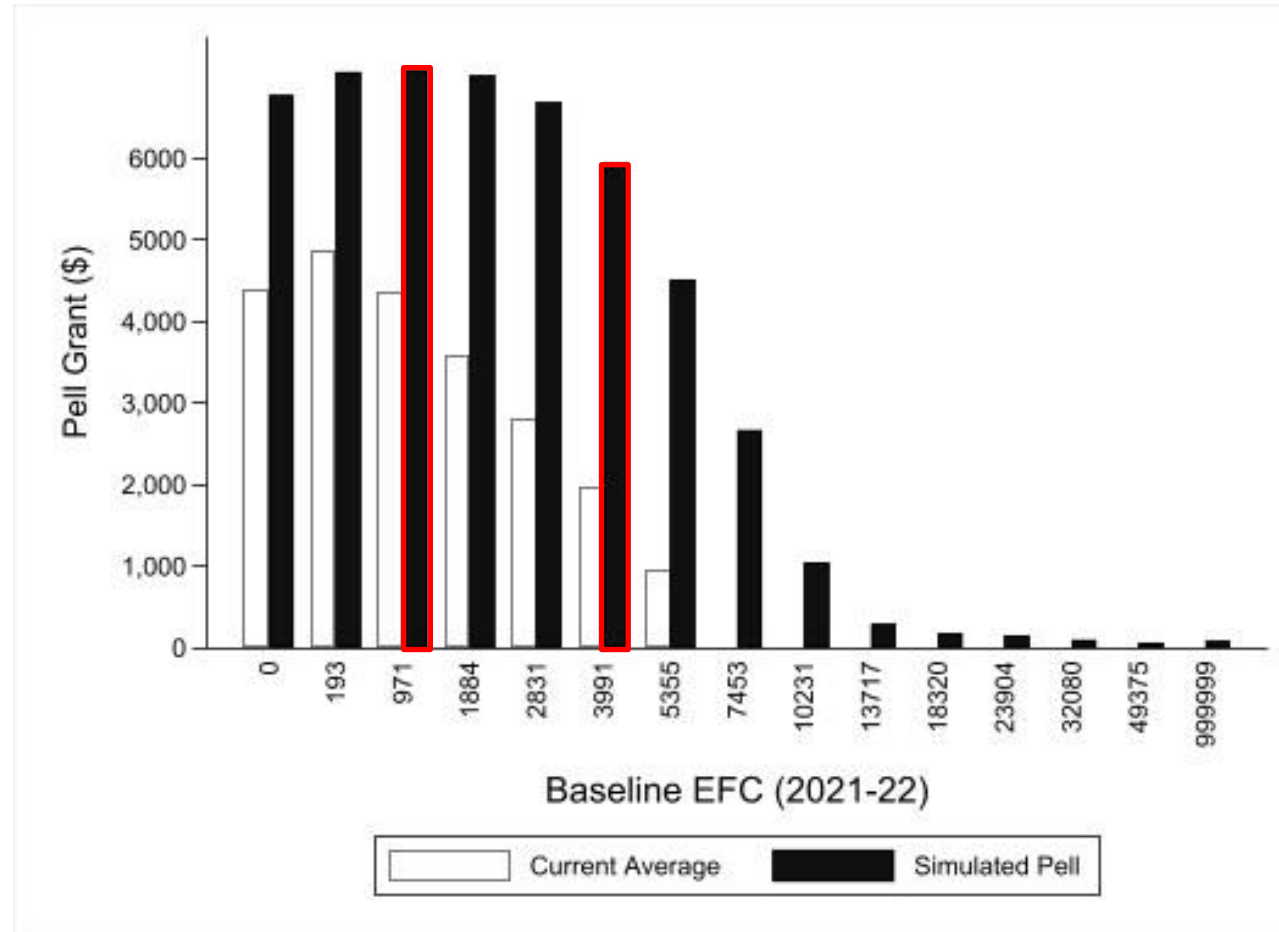
## Dependent Students



# Dependent Students

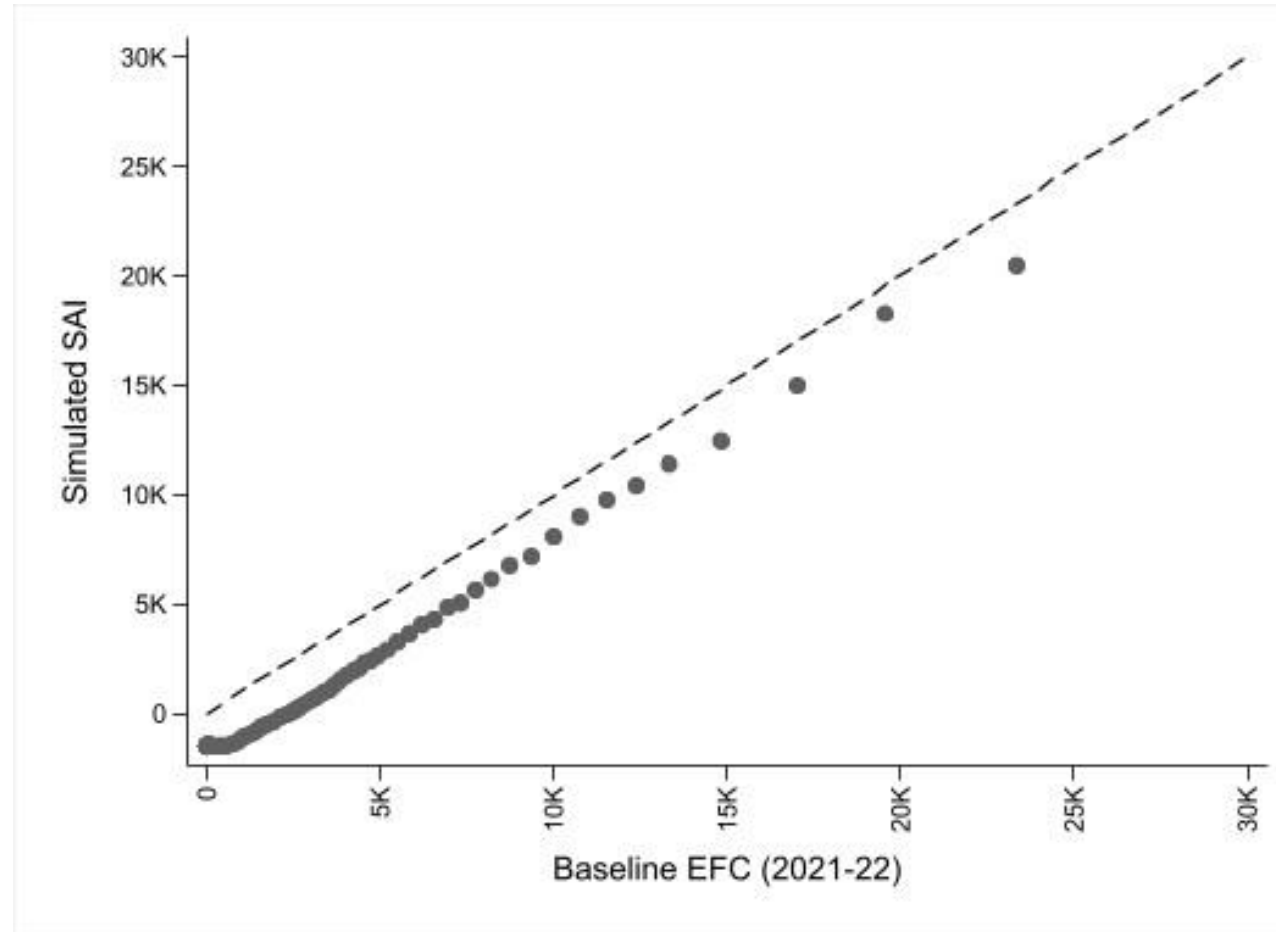


# Dependent Students

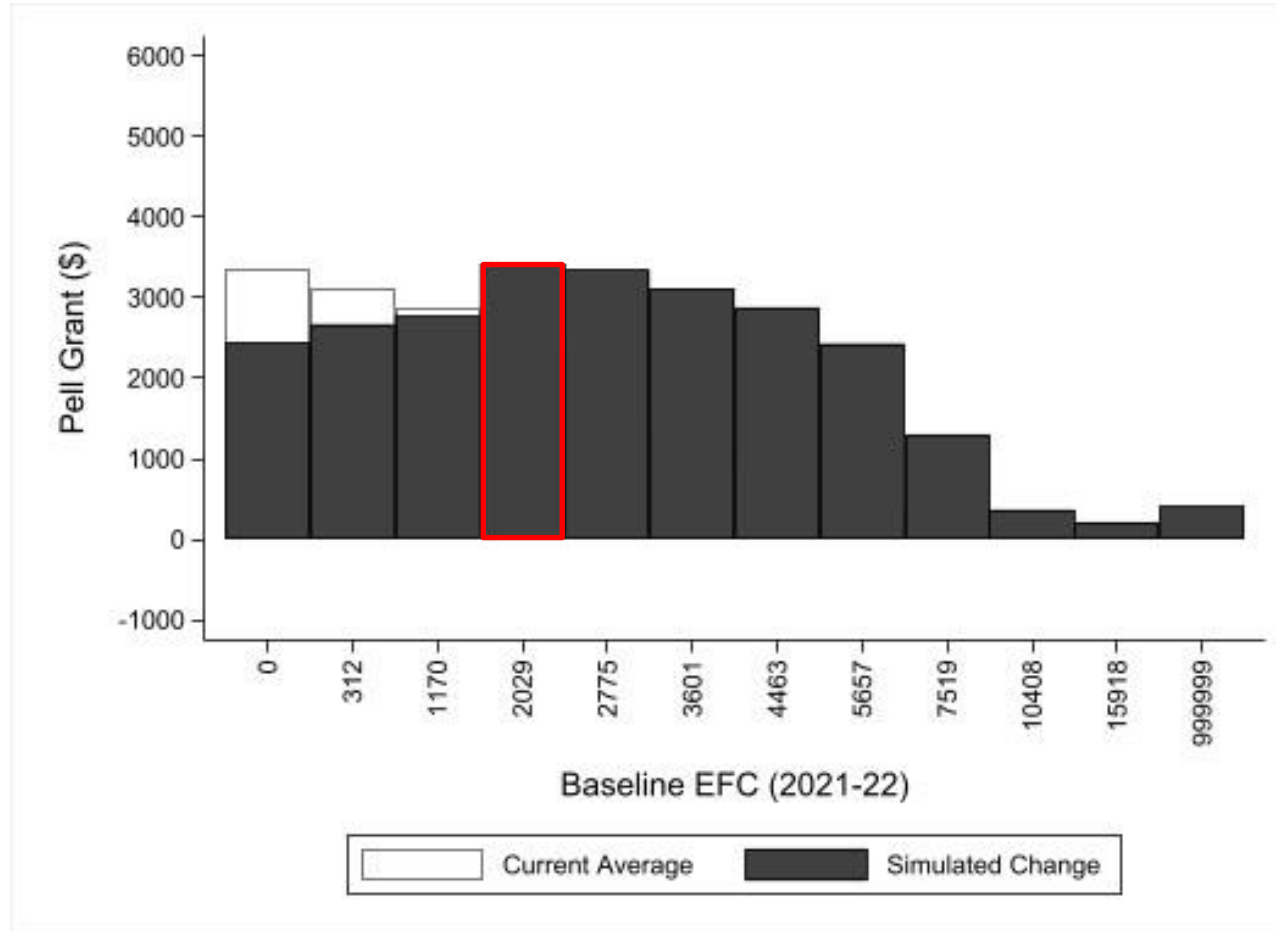




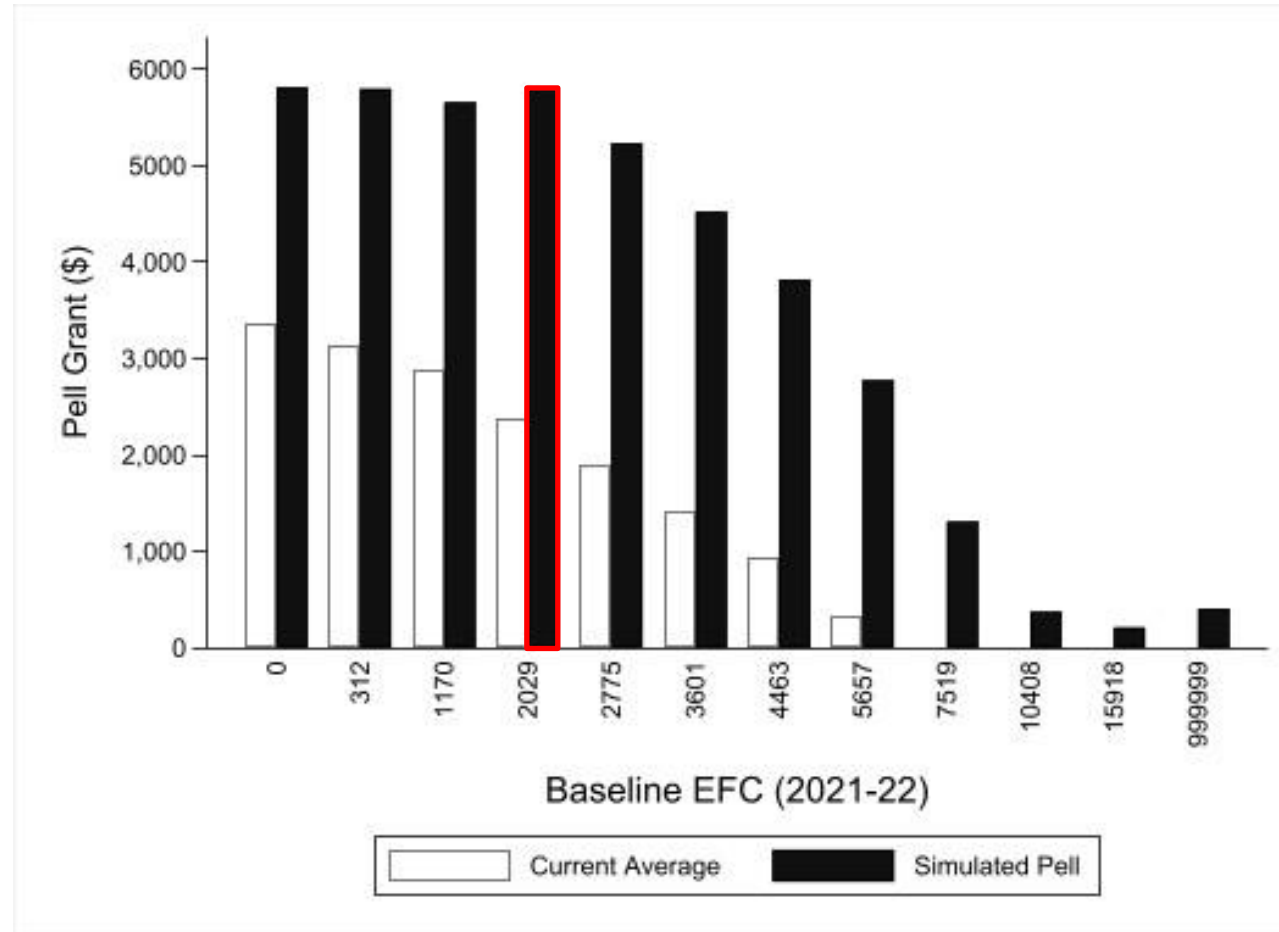
## Independent Students without Dependents



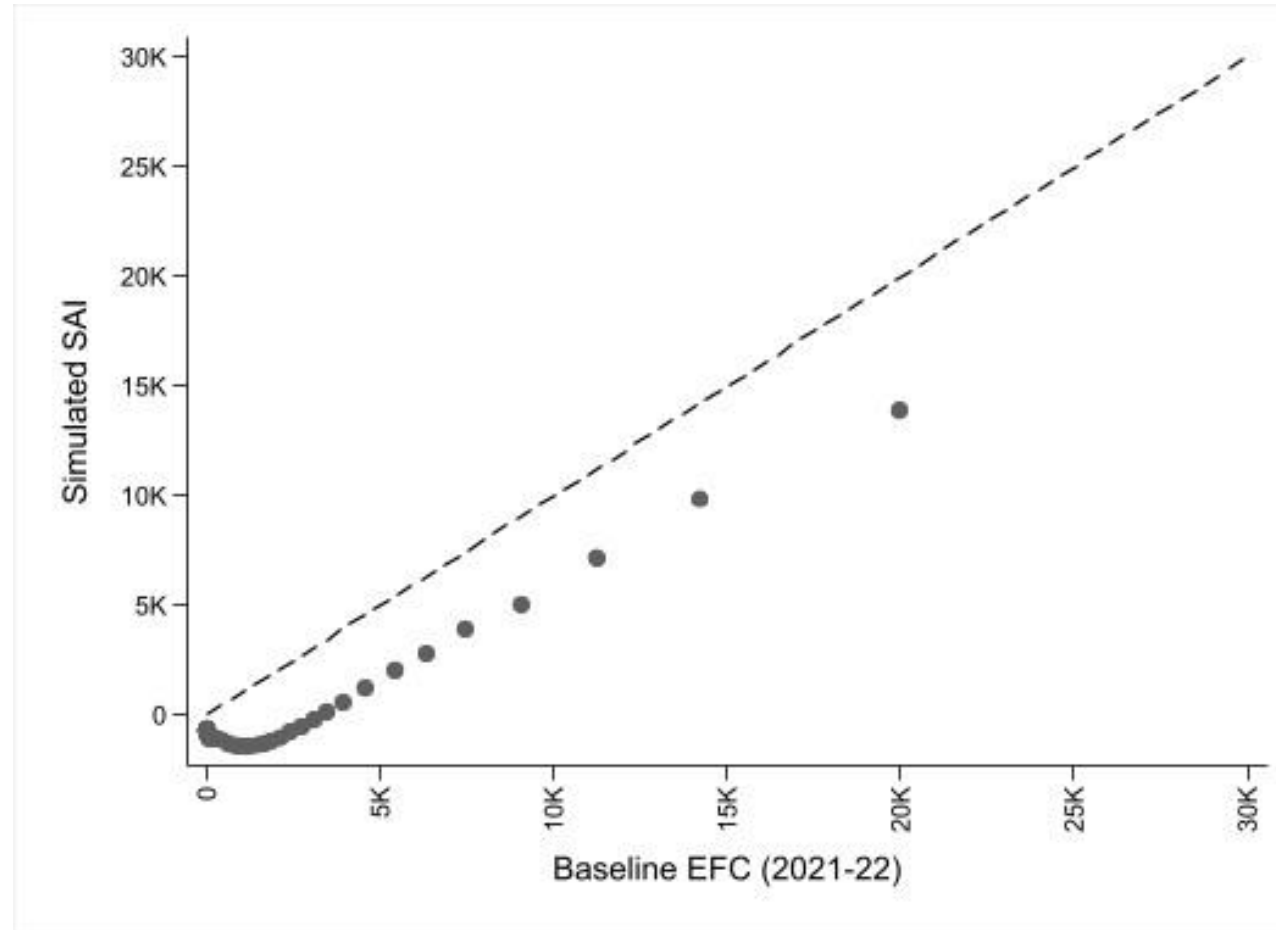
# Independent Students without Dependents



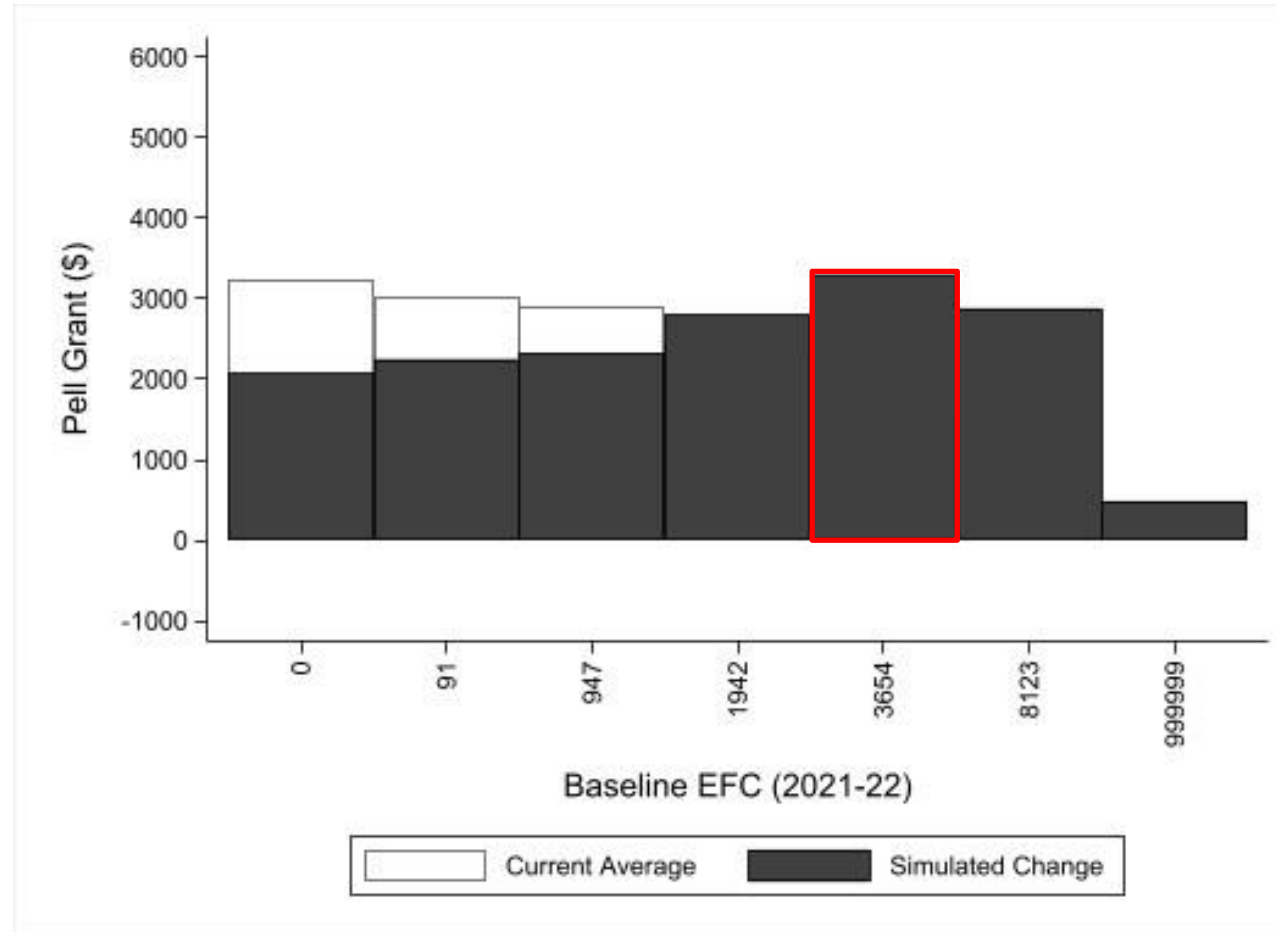
# Independent Students without Dependents



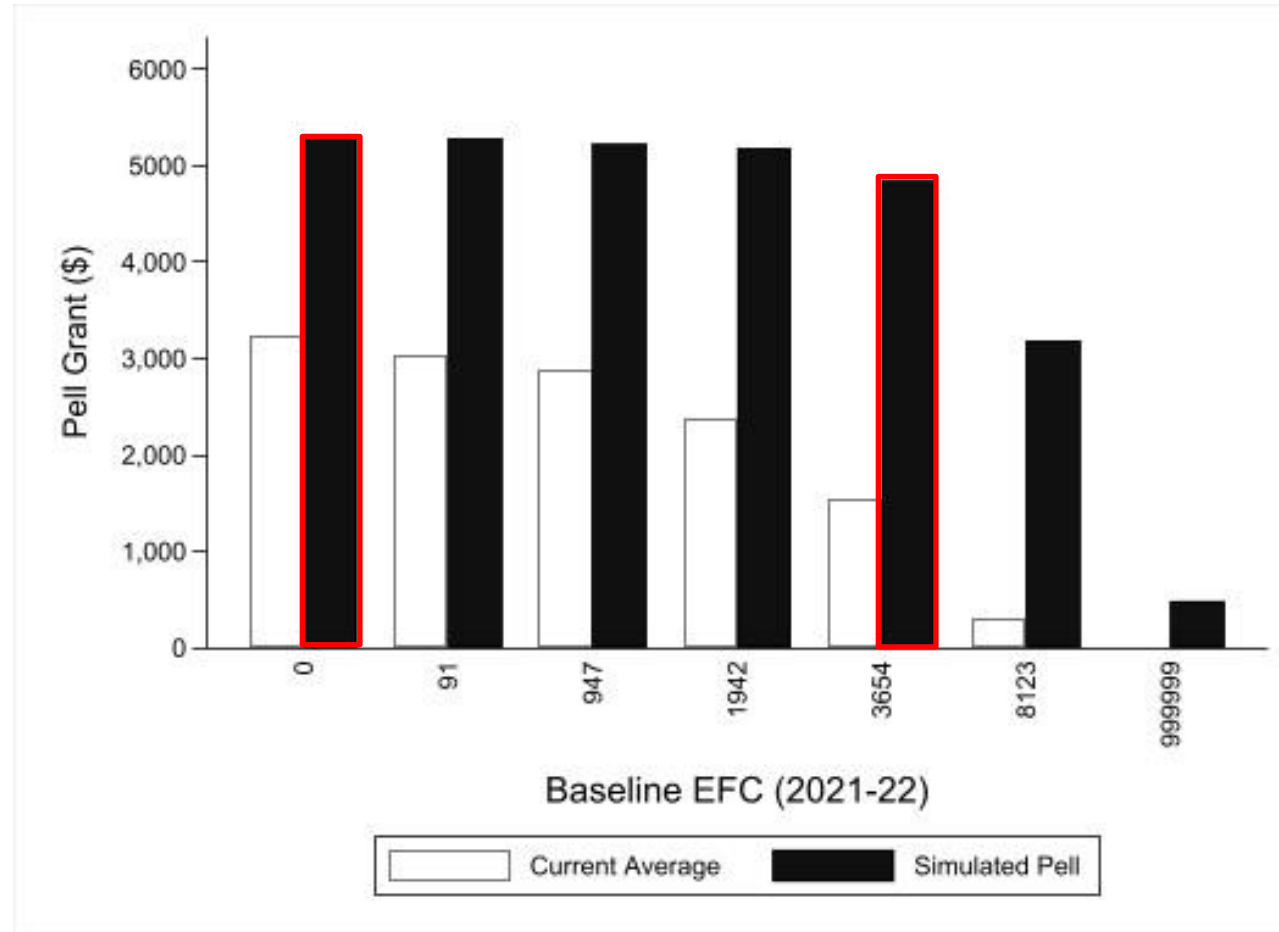
## Independent Students with Dependents



## Independent Students with Dependents



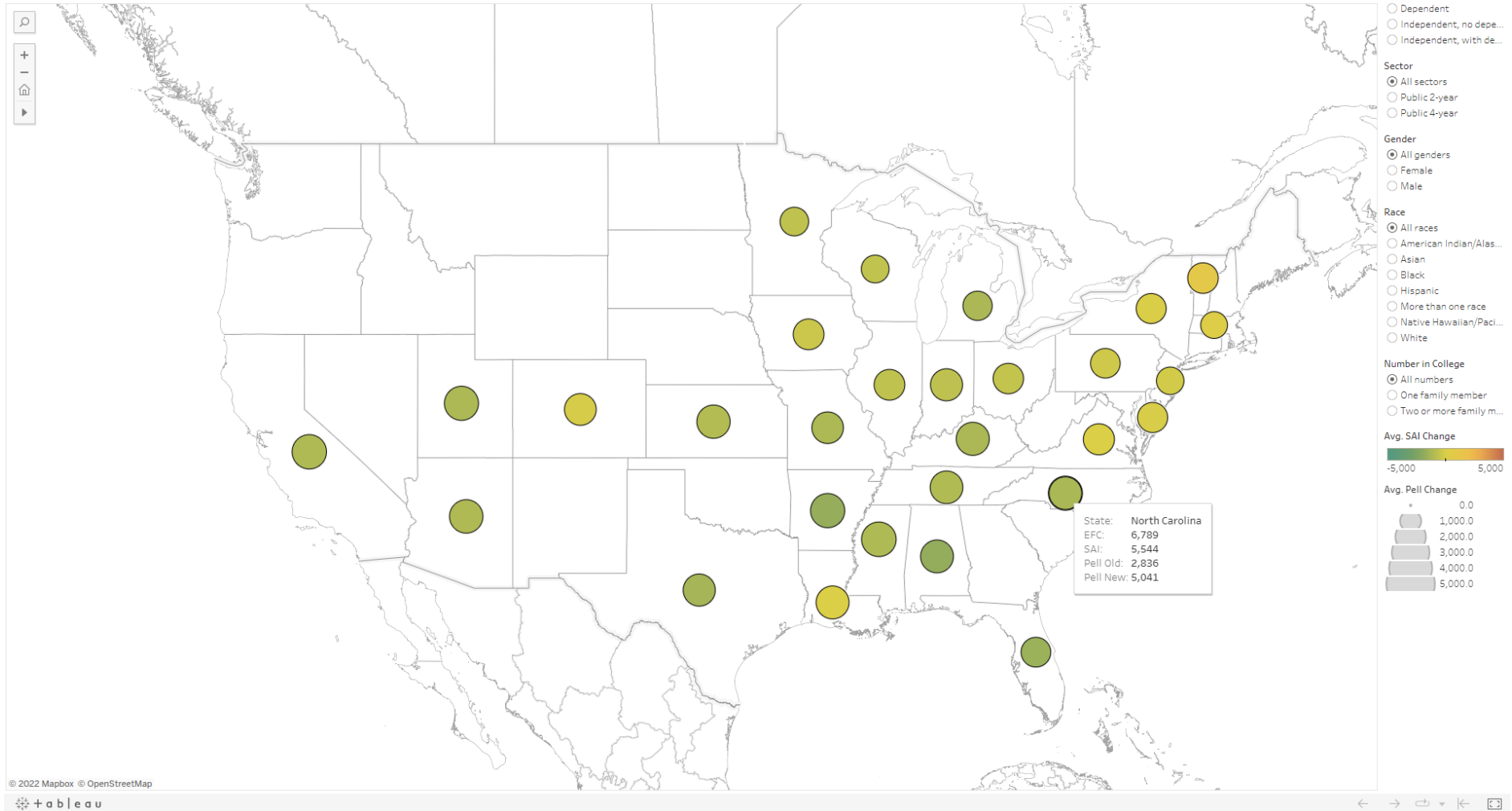
# Independent Students with Dependents



# FAFSA SIMPLIFICATION IMPACT ANALYSIS TOOL MAP

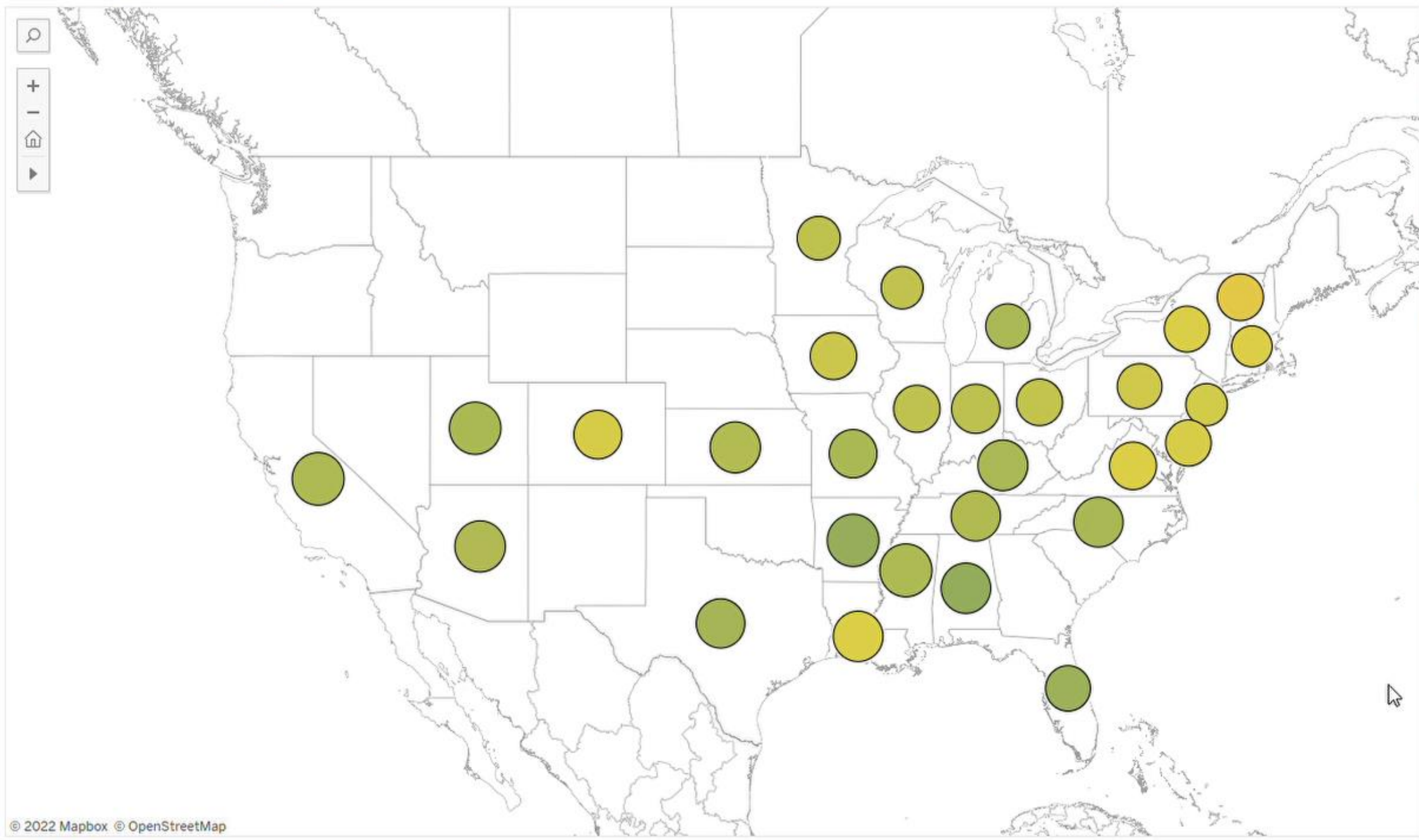
# Simplification Impact Analysis Tool

FAFSA Simplification Impact Tool





# FAFSA Simplification Impact Tool



**Dependency**

- All dependency types
- Dependent
- Independent, no depe...
- Independent, with de...

**Sector**

- All sectors
- Public 2-year
- Public 4-year

**Gender**

- All genders
- Female
- Male

**Race**

- All races
- American Indian/Al...
- Asian
- Black
- Hispanic
- More than one race

**Number in College**

- All numbers
- One family member
- Two or more family m...

**Avg. SAI Change**

-5,000 5,000

**Avg. Pell Change**

- 0.0
- 1,000.0
- 2,000.0
- 3,000.0
- 4,000.0
- 5,000.0

## Summary of Findings

- A large percentage (42.9%) of students currently ineligible for Pell Grants will become eligible under the new methodology.
- Some small number of students (roughly 8,000) who are currently eligible for Pell Grants may lose eligibility.
- Of students currently eligible for Pell Grants, about 15.4% will experience either no change or a decrease in Pell awards. The remaining 84.6% will see their Pell awards increase by up to \$8,800.
- The largest proportion of students (46.6%) will experience a decrease from EFC to SAI of \$1,000 to \$2,500. Roughly one-quarter of students will experience an increase from EFC to SAI.
- Of students with zero EFC, 29.7% will have zero SAI and 69.8% will have -\$1,500 SAI.

## Using the Modeling Tool

- State agencies will be able to anticipate how federal award levels may change for students nationally and in their state.
- States will be able to use these changes to estimate how state award levels will change.
- This will help states better plan for future award years, adjust current policies, budget state aid programs, and identify unintended consequences.
- SHEEO staff are available to provide technical assistance on these and any other forthcoming FAFSA changes.

## Questions & Contact Information

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FAFSA Impact Tool:

