



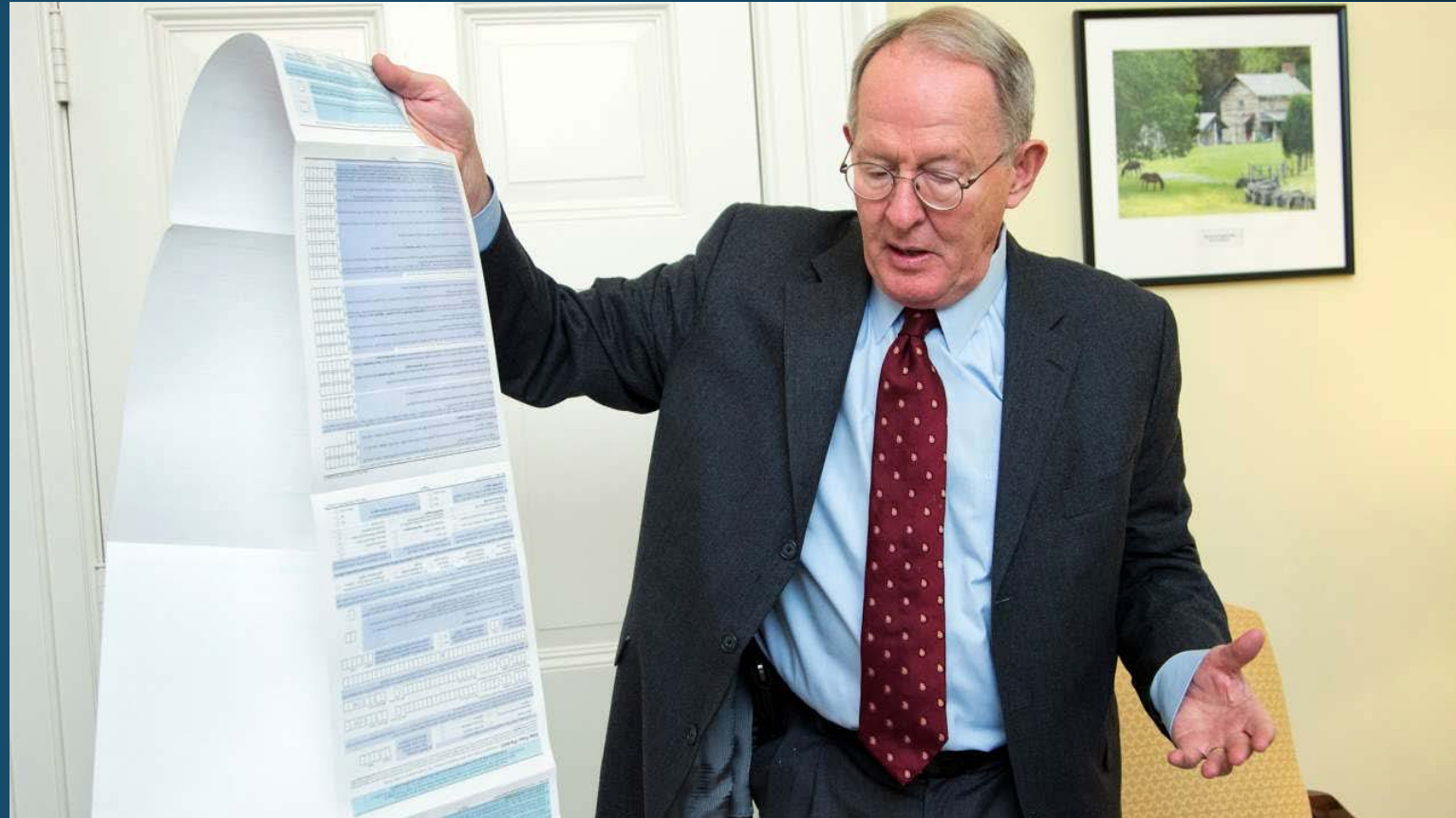
ALIGNING STATE AID WITH FAFSA SIMPLIFICATION

SHEEO HIGHER EDUCATION POLICY CONFERENCE 2022

LAMAR ALEXANDER'S LASTING LEGACY

"The cumbersome FAFSA is the major impediment to low-income students going to college in the United States today. They and their parents are intimidated by the complexity or wary of the government form and don't see why they should have to give to the Department of Education information they've already given to the Internal Revenue Service."

"It makes no sense to discourage the very students Congress wants to encourage to attend college and benefit from federal financial aid."



HISTORY

DECEMBER 2019

FUTURE Act
signed into law,
allowing direct
data exchange of
FTI between ED
and IRS

DECEMBER 2020

FAFSA
Simplification
Act signed into
law

JUNE 2021

Repeal of SS
registration,
drug-related
conviction
eligibility
limitations

JULY 2023

Second Chance
Pell Eligibility/
Complete
elimination of SS
and drug
question

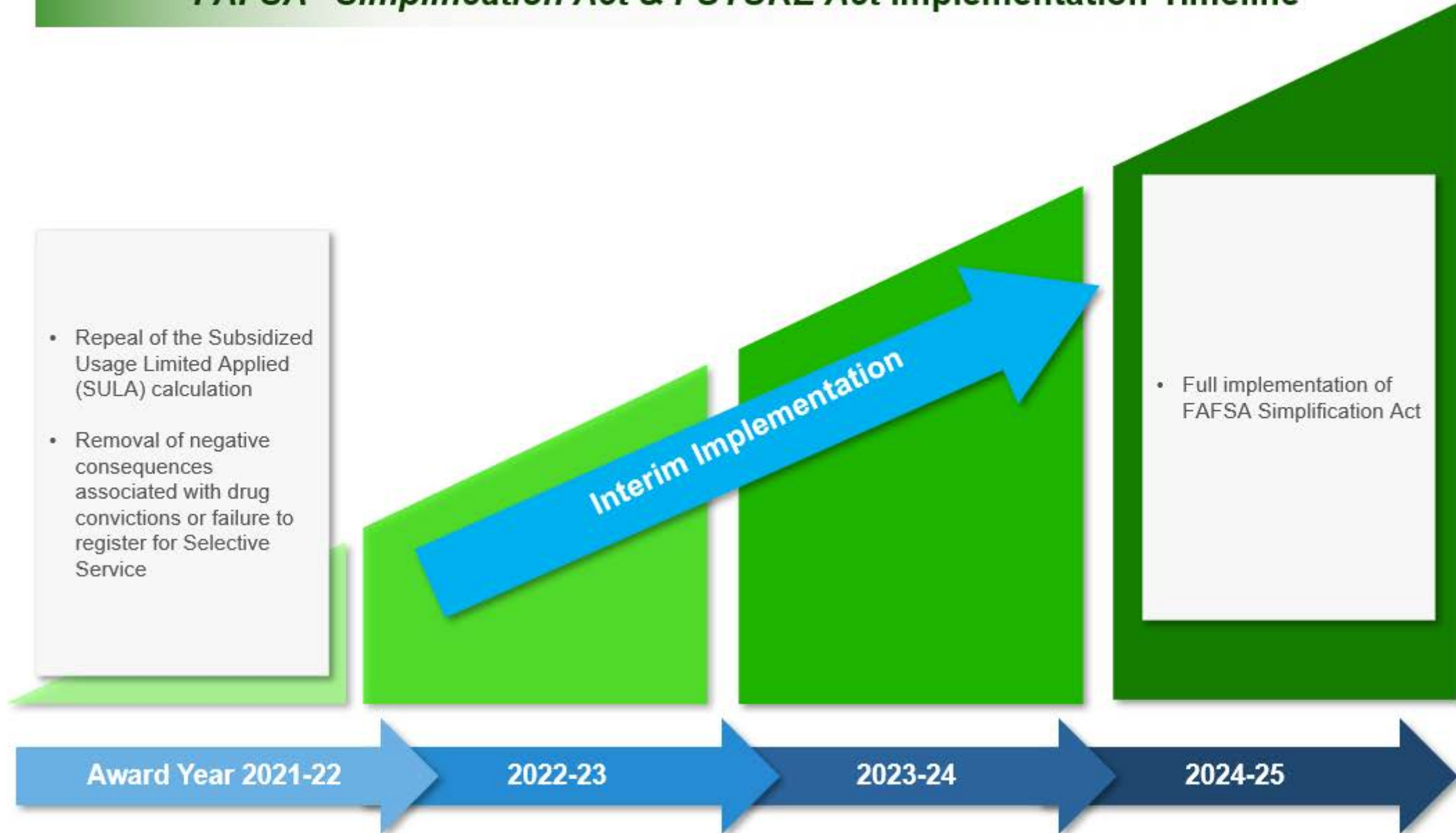
JULY 2024

Target date for
ALL elements
of Simplified
FAFSA

July 2023 Implementation → October 1, 2022 FAFSA Launch

July 2024 Implementation → October 1, 2023 FAFSA Launch

FAFSA® Simplification Act & FUTURE Act Implementation Timeline



FAFSA SIMPLIFICATION: REMOVAL OF SELECTIVE SERVICE AND DRUG CONVICTION REQUIREMENTS FOR TITLE IV AID ELIGIBILITY

The FAFSA Simplification Act amends Sec. 484 of the HEA to remove:

- The requirement that male students register with the Selective Service before the age of 26 to be eligible for federal student aid under Title IV of the HEA (Title IV); and
- Suspension of eligibility for Title IV aid for drug-related convictions that occurred while receiving Title IV aid.
- Some states still have statutory or program requirements related to Selective Service and/or drug conviction eligibility
- See Dear Colleague Letter GEN 21-04 published June 11, 2021

FAFSA SIMPLIFICATION: STUDENT AID INDEX

- Expected Family Contribution (EFC) will change to Student Aid Index (SAI) to determine eligibility for need-based aid
 - The equation for determining need will be
$$\text{Need} = \text{COA} - \text{SAI}$$
- The SAI can be a negative number down to - 1500
 - (COA - negative SAI could allow neediest students to receive aid in excess of COA)
- Income will now mostly be confirmed by direct data transfer between IRS and ED
- Those who are not required to file a return in the base year will get an automatic - 1500

FAFSA SIMPLIFICATION: STUDENT AID INDEX

- Auto-Zero SAI available to those who qualify for a Maximum Pell Grant unless they have a negative SAI
- Who gets a Maximum Pell Award?
 - ~ Non-tax filers (-1500 SAI)
 - ~ Single parent filers with $0 < \text{AGI} \leq 225\%$ of poverty line
 - ~ Non-single student or parent with $0 < \text{AGI} \leq 175\%$ of poverty line
- Those ineligible for Max Pell and with $\text{SAI} < \text{Max Pell}$:
Pell grant = Max Pell - SAI unless that is $< \text{Min Pell}$ (10% of the max); then no Pell
 - However, that person can still get a Minimum Pell Grant IF
 - For dependent students, their parent
 - ~ is a single parent whose $\text{AGI} \leq 325\%$ of poverty line
 - ~ is not a single parent and whose $\text{AGI} \leq 275\%$ of poverty line
 - For independent students, they are
 - ~ a single parent whose $\text{AGI} \leq 400\%$ of poverty line
 - ~ a parent but not a single parent and $\text{AGI} \leq 350\%$ of poverty line
 - ~ not a parent and have $\text{AGI} \leq 275\%$ of poverty line

FAFSA SIMPLIFICATION: OTHER CHANGES

- Pell Eligibility for incarcerated students who are enrolled in eligible prison education programs
- Family farm and small business asset exclusion removed (families must report net value of family farm or small business unless they qualify for simplified formula that would exclude assets)
- Divorced or Separated parents - Whose financial data appears on the FAFSA will now be based on who provides more support to the student rather than whom the student lived with
- Removes state and other tax allowance against income

FAFSA SIMPLIFICATION: OTHER CHANGES

- Removes number in college from IPA calculation
- Removes foreign income tax exclusion
- Removes certain categories of income (i.e. Veterans Benefits, Workman's Comp, cash support, military or clergy housing allowances) from being counted as untaxed income
- Child support received moved from untaxed income to reported asset
- Child support paid, special combat pay, co-op earnings, and foster care-related income no longer excluded

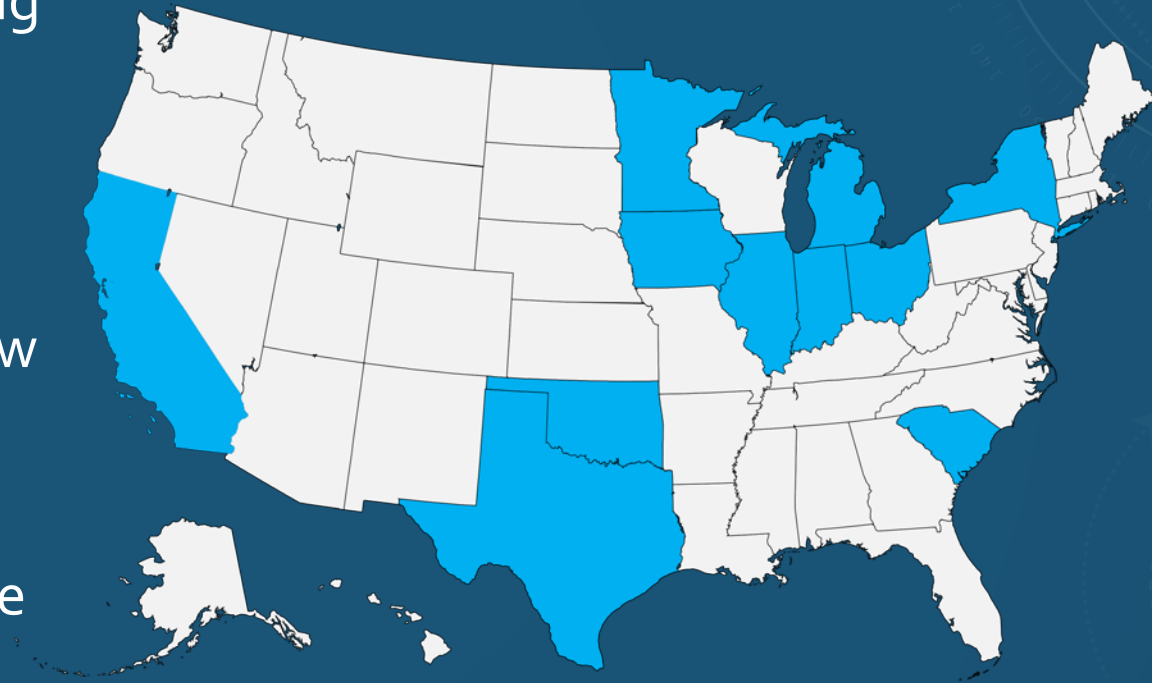


SHEEO AND NASSGAP FAFSA SIMPLIFICATION PROJECT COMPONENTS

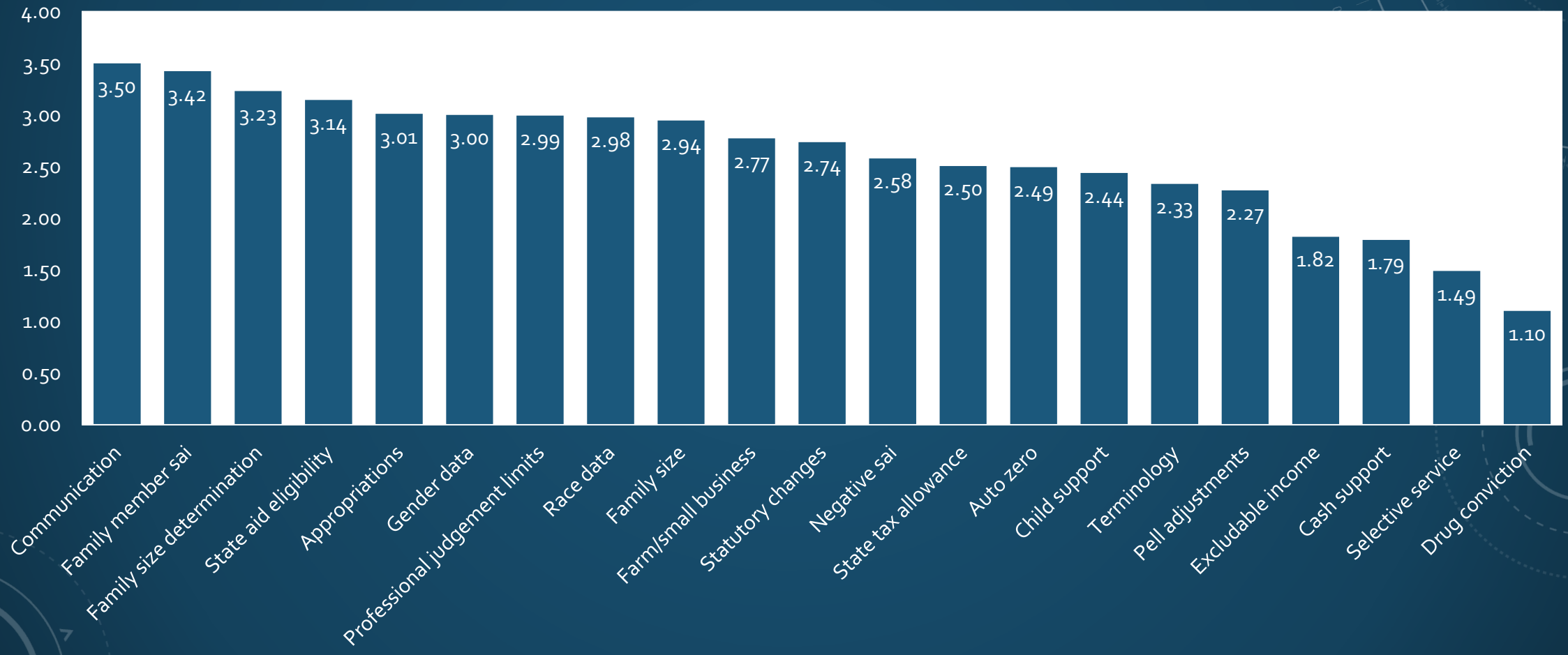
1. Provide TA to FSA on FAFSA simplification in the states
2. Serve as a communication bridge from FSA to the states and from the states to FSA.
3. Provide TA to all states on the FAFSA Simplification Act and FAFSA-related topics and related financial aid topics.
4. Coordinate a Learning Community of states that are dedicated to improving financial aid processes and policies.

LEARNING COMMUNITY

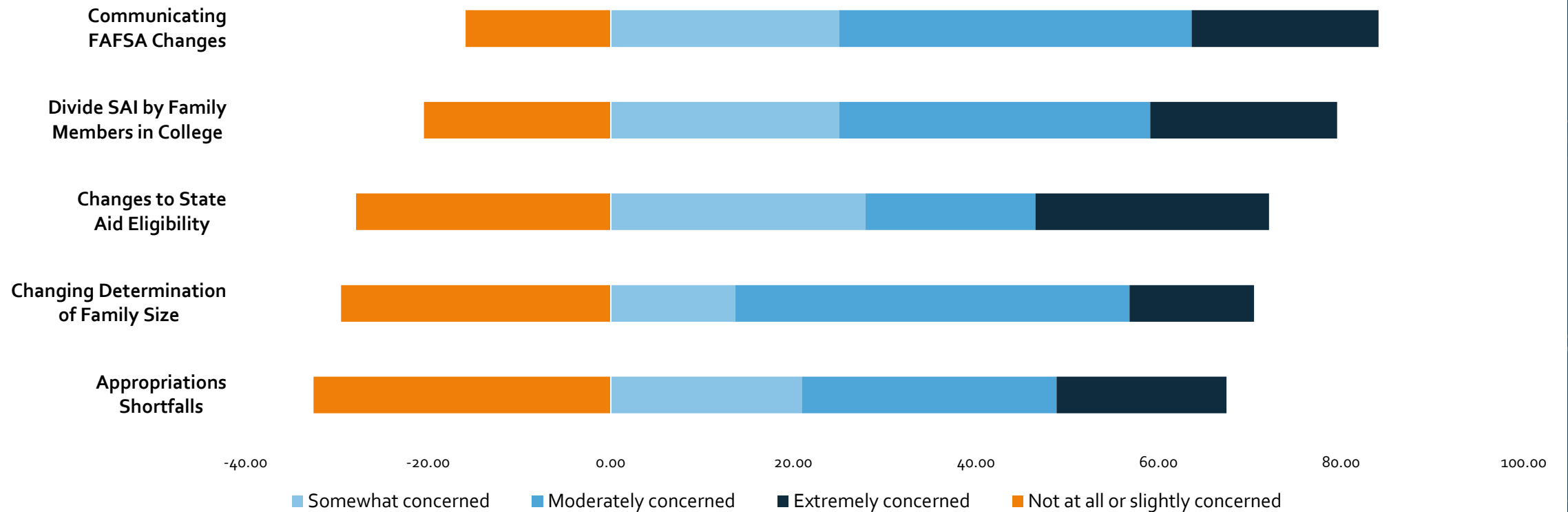
- Successful model to facilitate sharing of effective ideas and strategies
- Explore the implications of FAFSA simplification more deeply
- Take advantage of the policy window to reconsider financial aid policies and processes
- Share the common learning with the broader higher education field



AVERAGE LEVEL OF CONCERN FOR EACH CHANGING COMPONENT OF THE FAFSA



TOP FIVE AREAS OF CONCERN



PRACTICAL APPLICATION: FINDINGS FROM IOWA'S RESEARCH AND MODELING EFFORTS

- Differences between EFCs to SAI & Pell Grant amounts
- Iowa Tuition Grant Impact
- Bill language into financial aid estimates
- Next steps

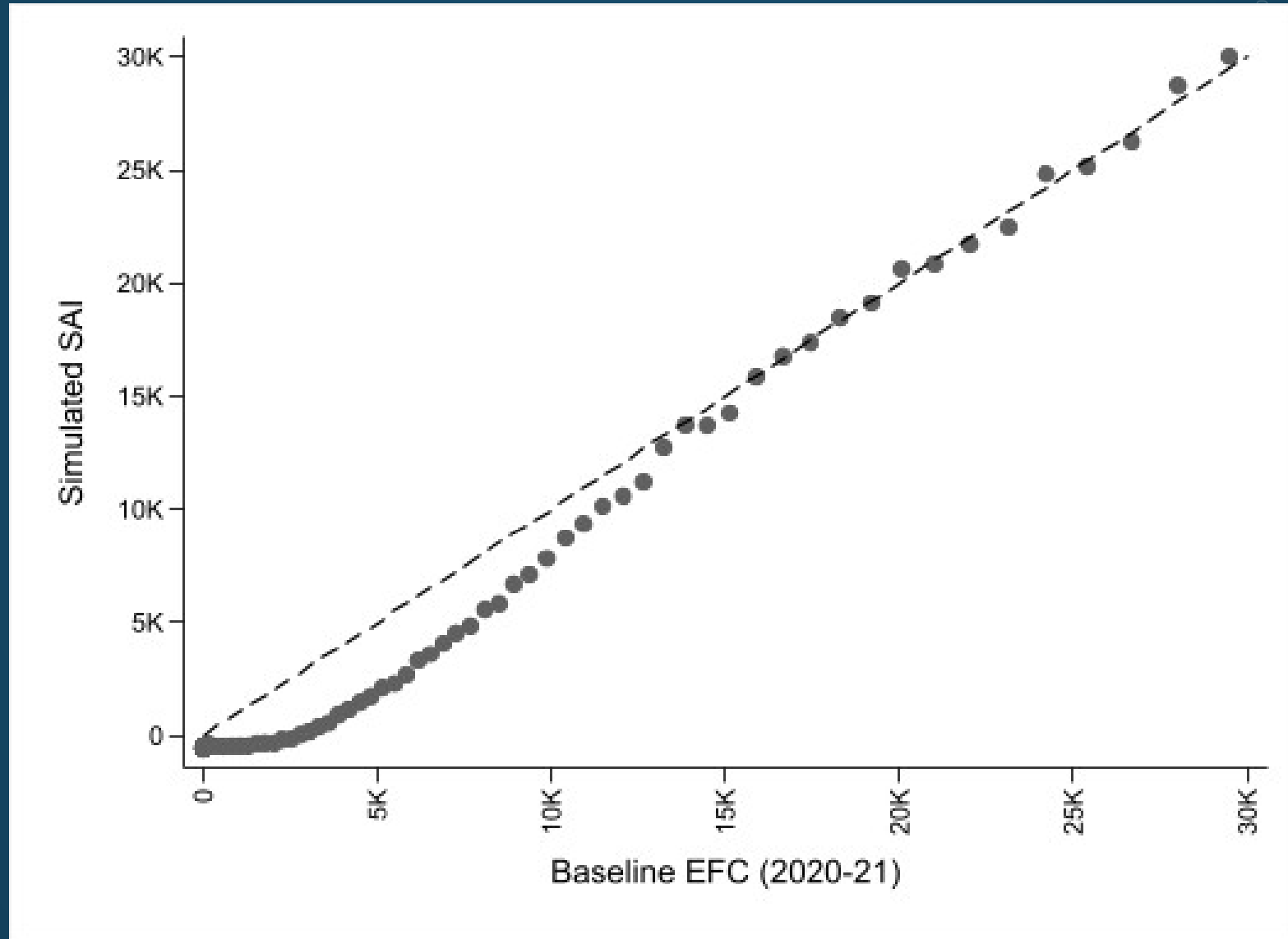
The background is a dark blue gradient. It features several faint, light blue circular patterns. On the left side, there are concentric circles with radial lines, resembling a protractor or a clock face, with numbers ranging from 140 to 260. Other circles with arrows indicating clockwise or counter-clockwise rotation are scattered across the background.

DIFFERENCE BETWEEN EFC TO SAI - IMPACT ON PELL GRANT AMOUNTS

Distribution Shift in EFC to SAI: All Students 2020-2021

Descriptive Statistics	EFC	SAI
Average	\$16,253	\$16,086
Median	\$4,974	\$1,278
Average difference between EFC and SAI	\$167	
Same EFC and SAI	19%	
SAI within \$10 of the EFC	21%	
SAI within \$100 of the EFC	21%	
SAI within \$500 of the EFC	25%	
SAI increases over \$500	13%	
SAI decreases over \$500	62%	
Correlation between EFC & SAI	0.82	
R ²	0.68	

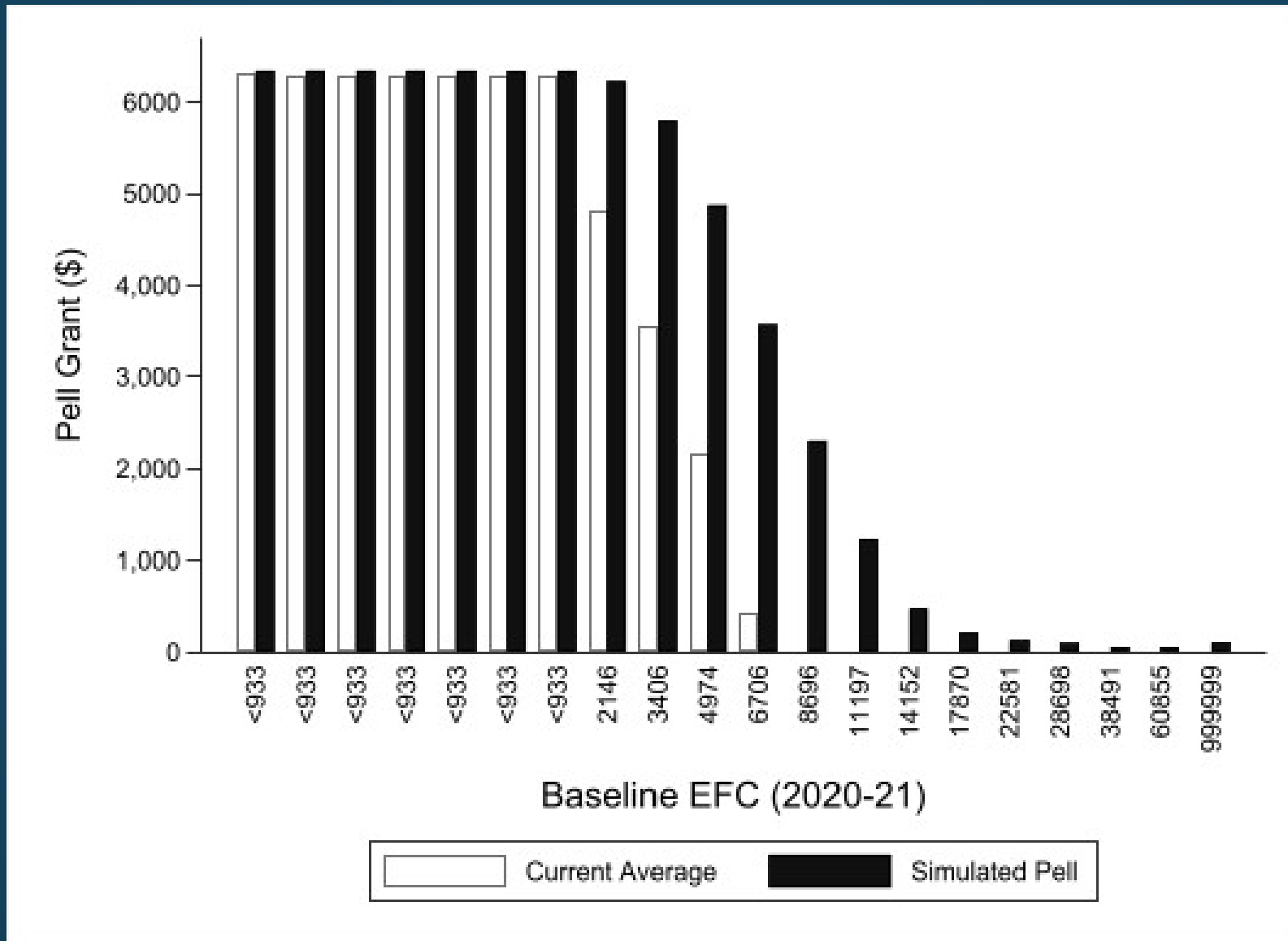
Distribution Shift in EFC to SAI: All Students 2020-2021



Distribution Shift in Pell Grants: All Students 2020-2021

Descriptive Statistics	Pell under EFC	Pell under SAI
Percent pell eligible	52%	63%
Average of Pell-eligible students	\$5,278	\$5,550
Median of Pell-eligible students	\$6,345	\$6,345
Average difference between Pell estimates	\$728	
Pell difference within \$100	68%	
Pell difference within \$500	71%	
Pell increase over \$500	29%	
Pell decrease over \$500	0%	
No change in Pell estimate	68%	
Correlation between Pell estimates	0.88	
R ²	0.77	

Distribution Shift in Pell Grants: All Students 2020-2021



The background is a dark blue gradient. It features several sets of concentric circles and radial lines in a lighter blue color. Some of these lines are dotted, while others are solid. There are also small arrowheads pointing in various directions, suggesting a sense of motion or rotation. The overall aesthetic is technical and modern.

IOWA TUITION GRANT IMPACT

IOWA TUITION GRANT (NOT-FOR-PROFIT): DETAILS

- Any Iowa resident attending an undergraduate degree program at private, not-for-profit colleges/universities in Iowa
- Decentralized
- FAFSA is the only application – deadline generally July 1 prior to the academic year
- Need-based, but with extensive EFC range (\$15,000)
- Receives an appropriation (~\$50 million/year); we set the maximum award to fund all eligible applicants without overspending (not entitlement)

IOWA TUITION GRANT (NOT-FOR-PROFIT)

OVERVIEW OF 2020-21

	Recipients	Maximum Award	EFC Range
2020-21	9,291	6,200	0-15,000

IOWA TUITION GRANT (NOT-FOR-PROFIT): PROCESS

- Recalculated an SAI for all Iowa resident FAFSA filers for 2020-21
- Processed those records through our commitment software
 - Produced a high-level count of 'eligible applicants'
 - Also identifies shifts in the applicant population
- Appended SAIs to recipients to determine direct impact on that population

IOWA TUITION GRANT (NOT-FOR-PROFIT)

SUMMARY OF IMPACT – APPLICANTS

2020-21

0 or negative - \$15,000

0 or negative

EFC

14,488

4,757

SAI

15,182

8,845

IOWA TUITION GRANT (NOT-FOR-PROFIT)

SUMMARY OF IMPACT – RECIPIENTS WHO LOSE ELIGIBILITY

EFC at or below 15,000 but
SAI Exceeds 15,000

2020-21

463 (5.0%)

IOWA TUITION GRANT (NOT-FOR-PROFIT) *PROFILE OF RECIPIENTS WHO LOSE ELIGIBILITY*

	EFCs over \$7,500	Percent of total
2020-21	462	99.8%

IOWA TUITION GRANT (NOT-FOR-PROFIT) *PROFILE OF IMPACTED RECIPIENTS WHO LOSE ELIGIBILITY*

Exclusion of # in College Causes Ineligible
SAI

Other Factors

Dependent/
Independent

2020-21

Dependent
418 (90.3%)

Independent
30

15

IOWA TUITION GRANT (NOT-FOR-PROFIT)

SUMMARY OF IMPACT – RECIPIENTS WHO GAIN ELIGIBILITY

EFC above 15,000 but
SAI at or below 15,000

2020-21

697

IOWA TUITION GRANT (NOT-FOR-PROFIT)

SUMMARY OF IMPACT


	# who lose eligibility	# who gain eligibility	Net Change
2020-21	463	697	+234

PROFILE OF IMPACTED RECIPIENTS – GAIN ITG

	Reported Family Size	Reported # in College	FISAP Total Income	Median EFC	Median SAI
2020-21	3.8	1.0	\$106,496	18,049	11,708

Profile of Impacted Recipients - Lose ITG

	Reported Family Size	Reported # in College	FISAP Total Income	Median EFC	Median SAI
2020-21	4.7	2.2	\$128,522	12,961	18,757

The background is a solid dark blue. It features several abstract, light blue circular and semi-circular patterns. On the left side, there is a large, curved scale with numerical markings ranging from 140 to 260 in increments of 10. Several curved arrows of varying sizes and thicknesses are scattered across the image, some pointing clockwise and others counter-clockwise, creating a sense of motion and flow.

BILL LANGUAGE INTO FINANCIAL AID ESTIMATES

2020-2021 EFC FORMULA A: DEPENDENT STUDENT

REGULAR
WORKSHEET
Page 1

A

PARENTS' INCOME IN 2018	
1. Parents' adjusted gross income (FAFSA/SAR #84) If negative, enter zero.	
2. a. Parent 1 (father/mother/stepparent) income earned from work (FAFSA/SAR #86)	
2. b. Parent 2 (father/mother/stepparent) income earned from work (FAFSA/SAR #87) +	
Total parents' income earned from work	=
3. Taxable income (If tax filers, enter the amount from line 1 above. If non-tax filers, enter the amount from line 2.)*	
4. Total untaxed income and benefits: (total of FAFSA/SAR #92a through 92h)	+
5. Taxable and untaxed income (sum of line 3 and line 4)	=
6. Total additional financial information (total of FAFSA/SAR #91a through 91f)	-
7. TOTAL INCOME (line 5 minus line 6) May be a negative number.	=

ALLOWANCES AGAINST PARENTS' INCOME	
8. 2018 U.S. income tax paid (FAFSA/SAR #85) (tax filers only) If negative, enter zero.	
9. State and other tax allowance (Table A1) If negative, enter zero.	+
10. Parent 1 (father/mother/stepparent) Social Security tax allowance (Table A2)	+
11. Parent 2 (father/mother/stepparent) Social Security tax allowance (Table A2)	+
12. Income protection allowance (Table A3)	+
13. Employment expense allowance:	
• Two working parents (Parents' Marital Status is "married" or "unmarried and both parents living together"): 35% of the lesser of the earned incomes, or \$4,000, whichever is less	
• One-parent families: 35% of earned income, or \$4,000, whichever is less	
• Two-parent families, one working parent: enter zero	+
14. TOTAL ALLOWANCES	=

AVAILABLE INCOME	
TOTAL INCOME (from line 7)	
TOTAL ALLOWANCES (from line 14)	-
15. AVAILABLE INCOME (AI) May be a negative number.	=

PARENTS' CONTRIBUTION FROM ASSETS	
16. Cash, savings, and checking (FAFSA/SAR #88)	
17. Net worth of investments** (FAFSA/SAR #89) If negative, enter zero.	+
18. Net worth of business and/or investment firm (FAFSA/SAR #90) If negative, enter zero.	+
19. Adjusted net worth of business/farm (Calculate using Table A4.)	+
20. Net worth (sum of lines 16, 17, and 19)	=
21. Education savings and asset protection allowance (Table A5)	-
22. Discretionary net worth (line 20 minus line 21)	=
23. Asset conversion rate	× .12
24. CONTRIBUTION FROM ASSETS If negative, enter zero.	=

PARENTS' CONTRIBUTION	
AVAILABLE INCOME (AI) (from line 15)	
CONTRIBUTION FROM ASSETS (from line 24)	+
25. Adjusted available income (AAI) May be a negative number.	=
26. Total parents' contribution from AAI (Calculate using Table A6.) If negative, enter zero.	
27. Number in college in 2020-2021 (Exclude parents.) (FAFSA/SAR #73)	÷
28. PARENTS' CONTRIBUTION (standard contribution for nine-month enrollment)*** If negative, enter zero.	=

REGULAR
WORKSHEET
Page 2

A

STUDENT'S INCOME IN 2018	
29. Adjusted gross income (FAFSA/SAR #36) If negative, enter zero.	
30. Income earned from work (FAFSA/SAR #38)	
31. Taxable income (If tax filer, enter the amount from line 29 above. If non-tax filer, enter the amount from line 30.)	
32. Total untaxed income and benefits (total of FAFSA/SAR #44a through 44i)	+
33. Taxable and untaxed income (sum of line 31 and line 32)	=
34. Total additional financial information (total of FAFSA/SAR #43a through 43f)	-
35. TOTAL INCOME (line 33 minus line 34) May be a negative number.	=

ALLOWANCES AGAINST STUDENT INCOME	
36. 2018 U.S. income tax paid (FAFSA/SAR #37) (tax filers only) If negative, enter zero.	
37. State and other tax allowance (Table A7) If negative, enter zero.	+
38. Social Security tax allowance (Table A2)	+
39. Income protection allowance	+
40. Allowance for parents' negative Adjusted available income (If line 25 is negative, enter line 25 as a positive number in line 40. If line 25 is zero or positive, enter zero in line 40.)	+
41. TOTAL ALLOWANCES	=

STUDENT'S CONTRIBUTION FROM INCOME	
TOTAL INCOME (from line 35)	
TOTAL ALLOWANCES (from line 41)	-
42. Available income (AI)	=
43. Assessment of AI	× .50
44. STUDENT'S CONTRIBUTION FROM AI If negative, enter zero.	=

STUDENT'S CONTRIBUTION FROM ASSETS	
45. Cash, savings, and checking (FAFSA/SAR #40)	
46. Net worth of investments* (FAFSA/SAR #41) If negative, enter zero	+
47. Net worth of business and/or investment firm (FAFSA/SAR #42) If negative, enter zero.	+
48. Net worth (sum of lines 45 through 47)	=
49. Assessment rate	× .20
50. STUDENT'S CONTRIBUTION FROM ASSETS	=

EXPECTED FAMILY CONTRIBUTION	
PARENTS' CONTRIBUTION (from line 28)	
STUDENT'S CONTRIBUTION FROM AI (from line 44)	+
STUDENT'S CONTRIBUTION FROM ASSETS (from line 50)	+
51. EXPECTED FAMILY CONTRIBUTION (standard contribution for nine-month enrollment)** If negative, enter zero.	=

*Do not include the student's home.

**To calculate the EFC for other than nine-month enrollment, see the next page.

shall for the purposes of this title consider the student aid index as equal to — \$1,500 for the applicant.”.

(c) DETERMINATION OF STUDENT AID INDEX.—Section 474 of the Higher Education Act of 1965 (20 U.S.C. 1087nn) is amended to read as follows:

“SEC. 474. DETERMINATION OF STUDENT AID INDEX.

“The student aid index—

“(1) for a dependent student shall be determined in accordance with section 475;

“(2) for a single independent student or a married independent student without dependents (other than a spouse) shall be determined in accordance with section 476; and

“(3) for an independent student with dependents other than a spouse shall be determined in accordance with section 477.”.

(d) STUDENT AID INDEX FOR DEPENDENT STUDENTS.—Section 475 of the Higher Education Act of 1965 (20 U.S.C. 1087oo) is amended to read as follows:

“SEC. 475. STUDENT AID INDEX FOR DEPENDENT STUDENTS.

“(a) COMPUTATION OF STUDENT AID INDEX.—

“(1) IN GENERAL.—Except as provided in paragraph (2), for each dependent student, the student aid index is equal to the sum of—

“(A) the assessment of the parents’ adjusted available income (determined in accordance with subsection (b));

“(B) the assessment of the student’s available income (determined in accordance with subsection (g)); and

“(C) the student’s available assets (determined in accordance with subsection (h)).

“(2) EXCEPTION.—If the sum determined under paragraph (1) with respect to a dependent student is less than — \$1,500, the student aid index for the dependent student shall be — \$1,500.

“(b) ASSESSMENT OF PARENTS’ ADJUSTED AVAILABLE INCOME.—The assessment of parents’ adjusted available income is equal to the amount determined by—

“(1) computing adjusted available income by adding—

“(A) the parents’ available income (determined in accordance with subsection (c)); and

“(B) the parents’ available assets (determined in accordance with subsection (d));

“(2) assessing such adjusted available income in accordance with the assessment schedule set forth in subsection (e); and

“(3) considering such assessment resulting under paragraph (2) as the amount determined under this subsection.

“(c) PARENTS’ AVAILABLE INCOME.—

“(1) IN GENERAL.—The parents’ available income is determined by subtracting from total income (as defined in section 480)—

“(A) Federal income taxes;

“(B) an allowance for payroll taxes, determined in accordance with paragraph (2);

“(C) an income protection allowance, determined in accordance with paragraph (3); and

“(D) an employment expense allowance, determined in accordance with paragraph (4).

“(2) ALLOWANCE FOR PAYROLL TAXES.—The allowance for payroll taxes is equal to the sum of—

“(A) the total amount earned by the parents, multiplied by the rate of tax under section 3101(b) of the Internal Revenue Code of 1986; and

“(B) the amount earned by the parents that does not exceed such contribution and benefit base (twice such contribution and benefit base, in the case of a joint return) for the year of the earnings, multiplied by the rate of tax applicable to such earnings under section 3101(a) of the Internal Revenue Code of 1986.

“(3) INCOME PROTECTION ALLOWANCE.—The income protection allowance shall equal the amount determined in the following table, as adjusted by the Secretary pursuant to section 478(b):

“Income Protection Allowance (to be adjusted for 2023–2024 and succeeding years)

Family Size (including student)	Amount
2	\$23,330
3	\$29,040
4	\$35,870
5	\$42,320
6	\$49,500
For each additional add	\$5,590.

“(4) EMPLOYMENT EXPENSE ALLOWANCE.—The employment expense allowance is equal to the lesser of \$4,000 or 35 percent of the single parent’s earned income or married parents’ combined earned income (as adjusted by the Secretary pursuant to section 478(g)).

“(d) PARENTS’ AVAILABLE ASSETS.—

“(1) IN GENERAL.—

“(A) DETERMINATION.—Except as provided in subparagraph (B), the parents’ available assets are equal to—

“(i) the difference between the parents’ assets and the asset protection allowance (determined in accordance with paragraph (2)); multiplied by

“(ii) 12 percent.

“(B) NOT LESS THAN ZERO.—The parents’ available assets under this subsection shall not be less than zero.

“(2) ASSET PROTECTION ALLOWANCE.—The asset protection allowance is calculated based on the following table (as revised by the Secretary pursuant to section 478(d)):

“Asset Protection Allowances for Parents of Dependent Students

If the age of the oldest parent is—	And there are	
	two parents	one parent
then the allowance is—		
25 or less	\$0	\$0
26	\$400	\$100
27	\$700	\$300

“Asset Protection Allowances for Parents of Dependent Students—Continued

If the age of the oldest parent is—	And there are	
	two parents	one parent
then the allowance is—		
28	\$1,100	\$400
29	\$1,500	\$600
30	\$1,800	\$700
31	\$2,200	\$800
32	\$2,600	\$1,000
33	\$2,900	\$1,100
34	\$3,300	\$1,300
35	\$3,700	\$1,400
36	\$4,000	\$1,500
37	\$4,400	\$1,700
38	\$4,800	\$1,800
39	\$5,100	\$2,000
40	\$5,500	\$2,100
41	\$5,600	\$2,200
42	\$5,700	\$2,200
43	\$5,900	\$2,300
44	\$6,000	\$2,300
45	\$6,200	\$2,400
46	\$6,300	\$2,400
47	\$6,500	\$2,500
48	\$6,600	\$2,500
49	\$6,800	\$2,600
50	\$7,000	\$2,700
51	\$7,100	\$2,700
52	\$7,300	\$2,800
53	\$7,500	\$2,900
54	\$7,700	\$2,900
55	\$7,900	\$3,000
56	\$8,100	\$3,100
57	\$8,400	\$3,100
58	\$8,600	\$3,200
59	\$8,800	\$3,300
60	\$9,100	\$3,400
61	\$9,300	\$3,500
62	\$9,600	\$3,600
63	\$9,900	\$3,700
64	\$10,200	\$3,800
65 or more	\$10,500	\$3,900.

“(e) ASSESSMENT SCHEDULE.—The assessment of the parents’ adjusted available income (as determined under subsection (b)(1) and hereafter in this subsection referred to as ‘AAI’) is calculated based on the following table (as revised by the Secretary pursuant to section 478(e)):

HOW DID WE DO THIS?

- Four people read the bill and came up with their interpretation of the formula.
- The most helpful person, our lead financial aid administrator, marked up a paper vision of the current FAFSA
- We took that information and applied it to our micro-level ISIR data that we receive from the federal government

HOW DID WE DO THIS?

- Micro-level ISIR data
 - Responses to specific questions on the FAFSA
- Using this information, we calculated the SAI with the elements that we had.
 - Documentation, code, notes, etc., are available on request
- Then, we took the calculated SAIs and put them through our financial aid estimation software (data needed: financial aid awards under EFCs)

HOW DID WE DO THIS?

- Additionally, to analyze students who became eligible, we submitted their information to the National Student Clearinghouse to determine if they enrolled at an eligible institution (depending on the scholarship we were analyzing)
- Those students = “gainers”
- Limitations
 - We don’t know how the simplification will affect overall FAFSA rates
 - We don’t know how the inclusion of small farms/businesses will effect lowans wealth

The background is a solid dark blue. It features several abstract, light blue circular and semi-circular patterns. On the left side, there is a large circular scale with tick marks and numbers ranging from 140 to 260. Other smaller circular elements with arrows and partial scales are scattered across the left and top portions of the image. The text 'NEXT STEPS' is positioned in the lower right area.

NEXT STEPS

NEXT STEPS

- Continue to refine our simulations and estimates (add 2021-2022)
- Receive further guidance from the federal government on the SAI formula
- Use our grants and scholarships projection process to estimate how ICA's financial aid program distributions will change under SAs for other scholarships and grants
- Work with other states and SHEEO in the learning community to develop and implement effective ways to communicate these changes to stakeholders (e.g., students, parents, legislators)

The background is a solid dark blue. It features several faint, light blue circular and semi-circular patterns. On the left side, there is a large circular scale with tick marks and numbers ranging from 140 to 260. Other smaller circular patterns with arrows indicating direction are scattered across the upper and lower portions of the image.

OTHER CONSIDERATIONS

OTHER CONSIDERATIONS

- Communications and Training Plans
- IT System Updates
- Budget Issues

COMMUNICATION AND TRAINING PLANS

- Each state will need to develop comprehensive plans on how to communicate the changes to various stakeholders
- Parents, students, school counselors, community partners, legislators, and various other groups will need different kinds of outreach and training
- Communicating the changes will be more difficult due to two FAFSA cycle running concurrently (2023-24 and 2024-2025)
- Most agencies will need some level of funding to update print and virtual communications

IT SYSTEM UPDATES

- The reduction of questions will significantly change the Institutional Student Information Record (ISIR)
- States use the information on the ISIR to develop budgets and create awards for students
- Changes to the ISIR will require states to update the financial aid software and applications
- The changes to terminology will also require various cosmetic changes to state systems

2023-2024 ISIR Cross-Reference (Continued)

2022-2023 ISIR Field Name	#	Start	End	2023-2024 ISIR Field Name	#	Start	End	Changes
Electronic Federal School Code Indicator	381	2941	2941	Electronic Federal School Code Indicator	378	2941	2941	Updated the ISIR field numbers in the Field Name column
Electronic Transaction Indicator (ETI) Flag	382	2942	2942	Electronic Transaction Indicator (ETI) Flag	379	2942	2942	
Filler	383	2943	2952	Filler	380	2943	2952	
Filler	384	2953	2957	Filler	381	2953	2957	
Verification Tracking Flag	385	2958	2961	Verification Tracking Flag	382	2958	2961	
Student Is Selected For Verification	386	2962	2962	Student Is Selected For Verification	383	2962	2962	
				Incarcerated Applicant Flag	384	2963	2963	Added field: 1 = Correctional Facility Address file 2 = Received via P.O. Box at IDC 3 = Incarcerated Applicant Flag set in FAA Access 4 = Incarcerated Applicant Flag removed in FAA Access Blank Field positions from this point have been adjusted
Filler	387	2963	3161	Filler	385	2964	3181	Increased field length to 218 bytes

BUDGET ISSUES

- The lack of information on the impact of FAFSA simplification has left states in a difficult budgetary positions
- Many states have a biennial budget cycle which means any changes to state appropriation need to take place in the next six months
- Absent information from Federal Student Aid, states are left to make budget predictions on inadequate information which could impact student awards

QUESTIONS



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