

## THE SECRETARY OF EDUCATION WASHINGTON, DC 20202

March 26, 2024

## Dear Governor:

Higher education opens doors, unlocks students' dreams, and strengthens our economy and our society. But for too long, too many have been shut out of accessing the life-changing potential of higher education.

The U.S. Department of Education's recent work to transform the Free Application for Federal Student Aid (FAFSA®) form expands that access to federal Pell Grants to more than 600,000 additional students who may have been too daunted by the cost and complexity of the system to pursue higher education.

The newer, Better FAFSA reflects changes to systems and processes that had not been updated in 40 years—including changes to the FAFSA form, eligibility calculations, and institutional procedures for packaging financial aid.

We estimate more than 7 million students will receive a Pell Grant next year, and 5.7 million will be eligible for the maximum Pell Grant of \$7,395.

Today, I'm writing to a) share additional steps the Department has taken to support students, families, and institutions during this unprecedented transition, and b) outline steps you can take in your state to encourage students to complete the 2024-25 Better FAFSA and support institutions of higher education in your state as they prepare financial aid packages.

## **Updates on Implementing the Better FAFSA**

As we expand access to postsecondary education to all students, we must work together to support the completion of the 2024-25 FAFSA. The Department has taken steps to support students, families, and institutions as we transition to the Better FAFSA, including:

**Delivering FAFSA information to states and institutions.** This month, the Department started transmitting batches of FAFSA information (known as ISIRs, or Institutional Student Information Records) to institutions of higher education and state grant agencies. We are ramping up the volume of ISIRs we are sending, and, in the coming weeks, we aim to fully process the FAFSA applications that already have been submitted.

Launching the FAFSA College Support Strategy. The Department is providing support to schools through the FAFSA College Support Strategy. We have deployed federal personnel, technical assistance, and tools to support colleges and universities to prepare students' financial aid packages as quickly as possible. Colleges and universities in your state that need additional support should contact our College Support Concierge <a href="mailbox">mailbox</a> at CollegeSupportStrategy-FAFSA@ed.gov as soon as possible.

**Providing Flexibility on Requirements for the 2024–25 Award Year:** We are providing colleges and universities with additional flexibility this year to help concentrate efforts on packaging student aid, including significantly reduced verification rates, suspension of certain new program reviews, and other flexibilities on certification requirements.

Announcing the Timeline for Corrections to FAFSA: The Department also recently announced that students who need to make updates and corrections to their FAFSA will be able to do so in the first half of April. We know that this may impact requirements in your state, particularly if your state requires FAFSA completion for high school graduation.

## **Increasing Better FAFSA Completion in Your State**

There are several steps you can take to ensure your state is ready to receive the new student records and new student aid eligibility requirements. Many states already have taken some of the following actions to support students applying for financial aid:

Adjust deadlines for state financial aid and ensure enough state grant aid is available through later processing timelines. For states that have a priority state financial aid deadline in May or earlier, you should consider delaying your application deadline for the 2024–25 award year. This will give students more time to complete and correct a FAFSA application and ensure they do not miss the opportunity to receive state grant aid. For states that distribute aid on a "first-come, first-served" basis, it's critical to ensure your funds do not deplete early so that all students who qualify for state grant aid are able to access funds later in the cycle.

Consider encouraging colleges and universities in your state to delay institutional decision deadlines. Many four-year colleges traditionally set May 1 as the day for incoming first-year students to commit to an institution for the upcoming academic year. The American Council on Education, along with numerous other higher education groups, has encouraged schools to reconsider this traditional date – as many did four years ago – to ensure that students and families have the time they need to consider aid packages and make informed decisions that are right for them.

Ensure your state has budgeted for state grant aid increases that may be needed based on changes to eligibility calculations. The FAFSA Simplification Act makes significant changes to the eligibility calculations and requirements for federal Pell Grants. These changes will likely impact the budgeting, design, and distribution of grant programs in your state. For example, because the student aid index (SAI) replaces the previous eligibility index (expected family contribution, or EFC), state grant aid programs that relied on EFC to determine eligibility will need to be updated to align with the new SAI. If your state has last-dollar financial aid programs that depend on the use of Pell Grants or other federal aid in calculating benefits, there may be changes to an in-state student's aid eligibility or amount. Your state budget office and state grant agency should make sure they understand the impact of changes in the SAI and plan accordingly. If your state would like more information about the new SAI formula or other topics related to the Better FAFSA, you can access the Federal Student Aid Knowledge Center.

Ensure that your state agencies and institutions have the capacity and support they need.

We encourage you to work with your institutions to ensure they have the technical support and resources necessary to process student aid. This could look like highly resourced institutions in your state partnering with colleges and universities with lower capacity to make sure aid packages are getting out to students. Your state higher education agencies also will need to ensure they have the technology, system updates and support, and staffing capacity to effectively process aid packages in a timely manner. If a college or university in your state needs additional support, we encourage them to reach out to our College Support Concierge <a href="mailbox"><u>mailbox</u></a> as soon as possible.

Motivate as Many Students as Possible to Complete and Submit a 2024-25 FAFSA. Your state has an opportunity to help make sure students don't leave money on the table. Students, particularly those from under-resourced backgrounds, may benefit from encouragement to fill out FAFSA from their schools and communities. We encourage you to work closely with K-12, higher education, and community stakeholders to increase outreach efforts and application support. Consider outreach activities to communities, like hosting FAFSA completion nights. Encourage officials to deploy college counselors to high schools.

Just over half of the high school class of 2023 completed a FAFSA. The newer, Better FAFSA takes just 15-20 minutes to fill out—so the class of 2024 in your state can easily surpass that completion rate. Our team at the Department of Education will not rest until every student who qualifies for aid can fill out a FAFSA form with ease, and institutions and state grant agencies receive the information they need to support students.

I know you are committed to helping students access the college and career pathways that can help them achieve their dreams, expand economic mobility, and meet the workforce demands of your state and our nation.

Together, we'll deliver a Better FAFSA and transform student financial aid for generations to come.

If you or your office have any questions, I encourage you to contact Lauren Mendoza, deputy assistant secretary for state and local outreach, at lauren.mendoza@ed.gov or 202-679-1418.

In Partnership,

Miguel A. Cardona, Ed.D. U.S. Secretary of Education

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