

# FAFSA® Simplification Fact Sheet

## Student Aid Index (SAI)

### *FAFSA Simplification Act and Student Aid Index (SAI)*

On Dec. 27, 2020, Congress passed the *Consolidated Appropriations Act*, which included provisions that amended the *Fostering Undergraduate Talent by Unlocking Resources for Education (FUTURE) Act* and included the *FAFSA Simplification Act*—a sweeping redesign of the processes and systems used to award federal student aid. One such change is replacing the Expected Family Contribution (EFC) with the SAI, which will be implemented for the 2024-25 Award Year.

### **Benefits to Students, Families and Borrowers**

#### **Replacing the Expected Family Contribution (EFC) with the Student Aid Index (SAI)**

Students and families will see a different measure of their ability to pay for college and will also experience a change in the methodology used to determine aid. The new formula removes the number of family members in college from the calculation and allows a minimum SAI of negative \$1,500 to give financial aid administrators more insight when making determinations for students with especially challenging situations.

#### **Expanding access to federal aid**

The *FAFSA Simplification Act* expands the Federal Pell Grant to more students and links eligibility to family size and the federal poverty level. Some applicants will be able to determine Pell Grant eligibility prior to enrolling in college based on their family size, household income, and state's poverty standards.

#### **What will stay the same?**

- Applicants will provide income, asset, and family information on the *Free Application for Federal Student Aid (FAFSA®)*. Many data elements will automatically populate on the application from either their or their parents' federal income tax return.

- The need analysis formula will remain: *cost of attendance (COA) minus Student Aid Index (SAI) and other financial assistance equals eligibility for need-based financial aid.*

### What will change?

Pell Grant eligibility will be determined in three steps:

- 1. Maximum Pell Grant** – Applicants may qualify for a Maximum Pell Grant based on family size, adjusted gross income (AGI), and poverty guidelines. Students qualifying for a Maximum Pell Grant will have an SAI between negative \$1,500 and \$0.
- 2. Student Aid Index (SAI)** – Applicants who do not qualify for a Maximum Pell Grant may still qualify if their calculated SAI is less than the maximum Pell Grant award for the award year. The applicant’s Pell Grant award for full-time enrollment will be equal to the maximum Pell Grant for the award year minus SAI. The Pell Grant will be adjusted if the applicant enrolls less than full time, or if the applicant’s COA is less than the calculated Pell Grant award.
- 3. Minimum Pell Grant** – Applicants whose SAI is greater than the maximum Pell Grant award for the award year may still qualify for a Pell Grant, based on family size, AGI, and poverty guidelines.

Additional guidance will be published in a SAI reference guide. The U.S. Department of Education office of Federal Student Aid expects to share a preliminary SAI guide in fall 2022. Watch for it to be posted on the [Knowledge Center](#).

### Additional Resources:

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**[FSA Partner Emails](#)** - Subscribe to receive ongoing email updates from Federal Student Aid: [outreach.fsapartners.ed.gov](mailto:outreach.fsapartners.ed.gov)



**Financial Aid Toolkit** - Find outreach tools to help guide others through the FAFSA simplification changes: [financialaidtoolkit.ed.gov/bfbf](https://financialaidtoolkit.ed.gov/bfbf)



**FSA Training Center** - Gain access to on-demand training courses, tools, and videos for financial aid professionals: [fsatraining.ed.gov](https://fsatraining.ed.gov)



**Knowledge Center** - Obtain official policy guidance and access to other FSA administrative websites for financial aid professionals: [fsapartners.ed.gov/knowledge-center](https://fsapartners.ed.gov/knowledge-center)



**Customer Service Center** - Connect with FSA service centers to assist students, parents, and borrowers: [fsapartners.ed.gov/help-center/fsa-customer-service-center](https://fsapartners.ed.gov/help-center/fsa-customer-service-center)