# SOUTH DAKOTA BOARD OF REGENTS

## Academic and Student Affairs

AGENDA ITEM:  6 – B
DATE:  April 3-4, 2024

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**SUBJECT**
    FAFSA Simplification Act Update

**CONTROLLING STATUTE, RULE, OR POLICY**
    FAFSA Simplification Act
    Federal Student Aid Announcement

**BACKGROUND / DISCUSSION**
    The FUTURE Act of 2019 and the FAFSA Simplification Act of 2021 initiated a significant change to the federal financial aid process. The FUTURE Act authorizes direct data exchange between the Department of Education (DOE) and the Internal Revenue Service (IRS). The FAFSA Simplification Act incorporated the FUTURE Act to ensure that the new application process created an automated feed for the federal tax return.

    In addition, the changes[1] reflected the following:
    1. Replacing the Expected Family Contribution to the Student Aid Index
    2. Modification of Family Definitions
    3. Expanding Access to Federal Pell Grants
    4. Streamlining the FAFSA Form

    Federal Student Aid[2] provides all documentation on its website. More specific requirements and changes can be found in the Draft 2024-25 Specification Guide[3].  Under federal law, the redesign had to be available for the 2024-2025 aid year (which coincides with the application available typically in October of 2023).

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[1] Federal Student Aid: What is the FAFSA Simplification Act. Retrieved: https://studentaid.gov/help-center/answers/article/fafsa-simplification-act
[2] Federal Student Aid: FAFSA Simplification Information. Retrieved: https://fsapartners.ed.gov/knowledge-center/topics/fafsa-simplification-information
[3] Federal Student Aid: Draft 2024-25 FAFSA Specification Guide. Retrieved: https://fsapartners.ed.gov/knowledge-center/library/handbooks-manuals-or-guides/2023-05-31/draft-2024-25-fafsa-specifications-guide-september-2023-update-2

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**INFORMATIONAL ONLY**

Due to the redesign and the extensive changes, the FAFSA application was not available to prospective first-time students and continuing students until January 2024. This resulted in a three-month delay in the application process for students and parents. The implementation and rollout of the application process has had its share of challenges, affecting students, parents, and postsecondary institutions nationwide.

The larger challenge for the Board of Regents system is that the ERP vendor has not yet received the final layout from the U.S. Department of Education (USDOE). In addition, no test files have been generated for testing to occur once the revisions are provided to the vendor. This will delay the system's ability to process the applications. It is our understanding that the system should expect test data by mid-March 2024.

Executive Director Lukkes, Dr. Janice Minder, and Dawn Kennedy met with a policy analyst from the USDOE. This meeting was initiated by the USDOE to provide general updates and to gain an understanding of the challenges at the institutions. At the meeting, the Board staff thanked the USDOE for extending an invitation to discuss communication and ongoing changes to data specifications. These changes have created delays in our vendor's ability to release necessary software updates to our institutions. We encouraged USDOE to communicate to students, families, and others that while the data may be available to USDOE, it will require additional work at the institutions to process.

With that in mind, the Regental system has placed resources in a programming consultant to facilitate any system and campus programmatic changes. This is fully funded through the Board office. The system Enrollment Services Center (ESC) and Regents Information System (RIS), as well as a team of institutional subject matter experts and institutional technology experts, have started to evaluate the application changes and work on logic that needs to be incorporated to reflect the changes once the Financial Aid system is updated by the vendor.

## IMPACT AND RECOMMENDATIONS

Understanding these delays is critical because it impacts students, families, and all postsecondary institutions and colleges that process federal financial aid.

## ATTACHMENTS

None