

Federal Student Aid

An OFFICE of the U.S. DEPARTMENT of EDUCATION

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AUTHOR: Office of the Chief Operating Officer

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SUBJECT: FSA Letter to Presidents, Chancellors, and CEOs on Changes to Federal Student Aid and 2024-25 FAFSA Process

This week, Federal Student Aid will send a letter via email to leadership at all institutions of higher education alerting them to the changes and potential impacts on their campus as a result of implementation of the *FAFSA Simplification Act* and the *Fostering Undergraduate Talent by Unlocking Resources for Education (FUTURE Act)*. The successful implementation of these laws will require significant changes to the current systems and procedures on campus that are utilized to award *Title IV* student aid. The text of the letter is below.

Dear Postsecondary Presidents, Chancellors, and Chief Executive Officers:

I am writing to tell you about significant changes in federal student aid that are coming to your campus this year.

In 2020, the President signed into law the *Consolidated Appropriations Act, 2021*, which included the *FAFSA Simplification Act*. The *FAFSA Simplification Act* is a massive overhaul of federal student aid, including changes to the *Free Application for Federal Student Aid (FAFSA®)* form, the eligibility calculation, and many policies and procedures for schools that participate in the *Title IV* programs. Major aspects of the law include:

- New Pell Grant and Federal Aid Eligibility Determination
- Expanding Access to Federal Aid
- Streamlining the FAFSA Form

Simultaneously, we are implementing the *Fostering Undergraduate Talent by Unlocking Resources for Education Act (FUTURE Act)*, which the President signed into law in 2019 to authorize a direct data exchange with the Internal Revenue Service to provide income information on the FAFSA form.

The successful implementation of both laws will greatly alter the current systems and procedures your school uses to award federal student aid. While it is difficult to estimate the specific institutional impact, we offer the following insights about what these changes could mean for your school:

- The potential need for more institutional resources to provide adequate training for your team, including financial aid leaders and staff, student financial services, bursars, and others.
- A thorough review of your current admissions and financial aid deadlines and practices as the 2024-25 FAFSA form will be available in December 2023.
- An increased number of students determined to be eligible for federal financial aid programs may require more staffing.
- Potential changes to your current enrollment and/or retention strategies for utilizing institutional student aid programs and/or funds.
- More resources may be needed for software, security, and systems updates, as well as training to implement those changes.
- Insufficient financial resources for items like staffing, software updates, and training may increase risks of non-compliance, which could lead to audit findings, fines, and/or liabilities.

All changes will be fully implemented beginning with the 2024–25 academic year. Over the next several months, our teams will deliver specific outreach and training to institutional student financial aid administrators across the country. These trainings will be key to your success with this transition. We strongly recommend that you encourage and support participation by your financial aid team.

If you have questions or concerns or need clarification, please contact your director of financial aid. You may also review more detailed information on our FAFSA Simplification Topics page at fsapartners.ed.gov/knowledge-center/topics/fafsa-simplification-information. New information will be added as it is available. Thank you in advance for your partnership as we work together to ensure successful implementation of the *FUTURE Act* and *FAFSA Simplification Act*. We are confident that the beneficial outcome will be to increase access to postsecondary education nationwide.

Sincerely,

Richard Cordray
Chief Operating Officer
Federal Student Aid