



Navigating the Impact of Student Aid Index (SAI) on Packages Policies and Procedures

May 23, 2024



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A Brief History of the SAI

- 1643 First scholarship given at Harvard College in the amount of \$100 English pounds by Lady Ann Mowlson for a needy student.
- Great Depression and World War II created an awareness for the support for needy student wanting a college education.
- Early 1950's first formula for need-based financial aid. Developed by colleges.
- 1954 the College Scholarship Service (CSS) worked with the financial aid community to develop the first standardized need analysis methods.

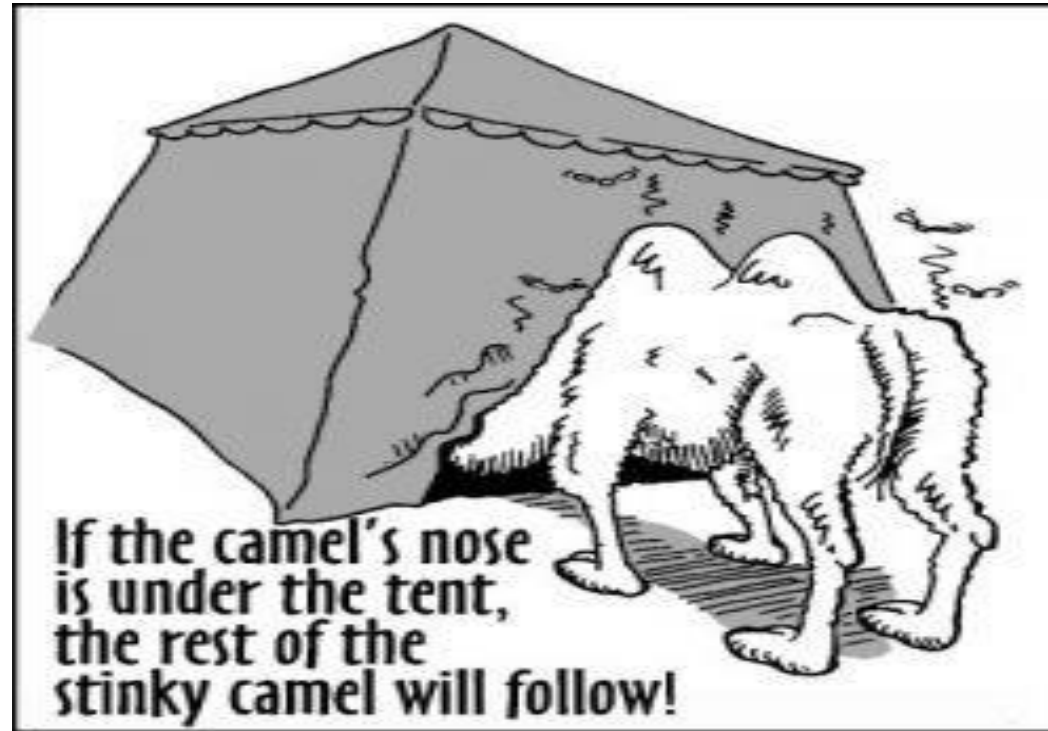
A Brief History of the SAI cont.

- 1958 the National Defense Act (NDEA) targeted to math, science, and foreign languages was implemented and created additional pressure for a standardized needs analysis methodology.
- 1960-1961 CSS implement the Parents' Confidential Statement. They calculated an EFC and displayed the information to colleges using their formula, moving more institutions to the new formula created with help from the financial aid community.
- 1965 the Higher Education Act (HEA) passed. The CSS methodology was still permitted to be used to calculate eligibility for federal aid.

A Brief History of the SAI cont.

- 1972 Higher Education Amendments of 1972 introduced the BEOG, now Federal Pell Grant, and the predominant method to calculate need was Uniform Methodology developed collectively by the financial aid community and used by most services.
- 1976 CSS Financial Aid Form and the ACT Family Financial Statement were the primary providers of needs analysis information.
- 1980 Higher Education Amendments of 1980 began the shift of the formula to federal control. The changes required a Free application. Processors had charged a fee for process. The free application requirement was suspended before implementation, but COA components were identified and changes to needs analysis were made.

A Brief History of the SAI cont.



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A Brief History of the SAI cont.

- 1986 Higher Education Amendments of 1986 needs analysis moved fully to the USDE. Congressional Methodology was implemented.
- 1992 Higher Education Amendments of 1992 move to a single application (FAFSA) and completed the Federal take over of needs analysis. Federal Methodology became the only method used for determining need for federal funds. This also created the arrival of institutional methodology.
- 2021 Consolidated Appropriations Act of 2021 finalized the move to simplification, with information being brought in from the IRS and the replacement of the EFC with the SAI.



Tallahassee Community College

Implementation of the SAI and awarding of financial aid.

TCC Demographic Data

- About 12,000 students. TCC is considered a medium sized community college.
- 70% of students on financial aid.
- About 5,000 Students on Pell.
- Most students transfer either to FSU or FAMU.
- We are the primary transfer portal for both of these schools.
- We have limited clock-hour programs.
- We offer four bachelor's degrees.

SAI Concerns

- Number of students who have reduced aid.
- Number of students who have siblings in school.
- Will we be held responsible for errors in the calculations?
- Will Workday calculate the Federal Pell Grant correctly using the new SAI?
- Will Workday be able to recalculate the Federal Pell Grant to the student's actual enrollment status?
- How will the SAI impact FSAG?
- How will it impact institutional need-based funds?

Awarding Concerns

- Because we award later as a community/state college, we tend to award later, so we are basically on schedule.
- We award for fall, spring, and summer. This will help mitigate issues with the Federal Pell Grant.
- How will returning students with reduced aid respond to the lower financial aid notifications?

VALENCIA COLLEGE

Valencia College is a premier learning college that transforms lives, strengthens community, and inspires individuals to excellence.

- Named the best community college in the nation as the inaugural winner of the Aspen Prize for Community College Excellence.
- 70,906 Enrollment
- Ranked 5th among the nation's colleges in the number of associate degrees awarded to Hispanic students
- Degree Programs: 1 Associate in Arts (A.A), 42 Associate in Science (A.S.), and 6 Bachelor of Science (B.A.S. & B.S.)
- Certificate Programs: 100
- Average Class Size: 37% Full-Time and 63% Part-Time
- Diverse student population – 44% Hispanic, 26% Caucasian, 17% African American, 7% Other, and 6% Asian

Financial Aid Statistics

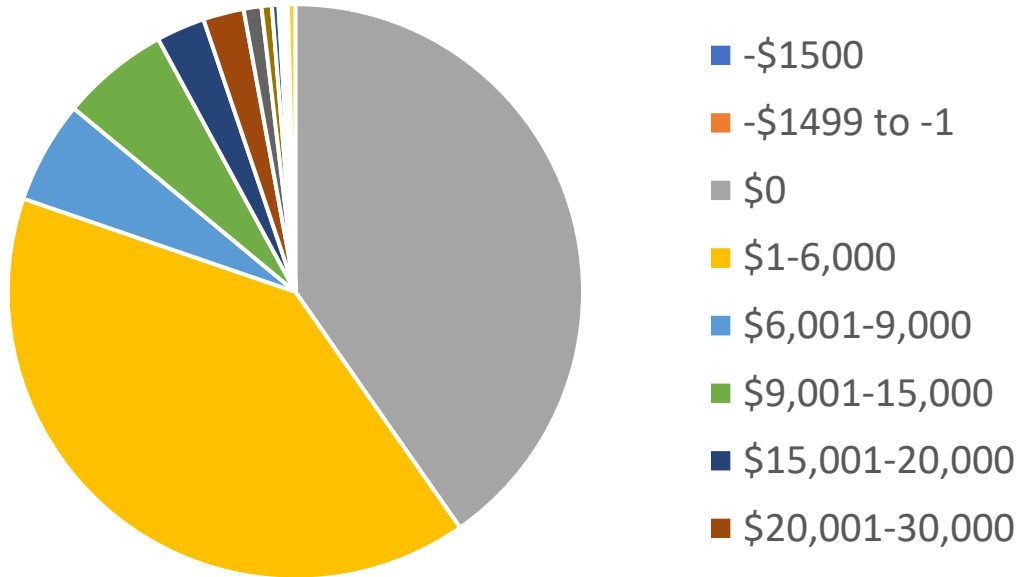
- 20,989 students paid Pell Grant for 2023-2024
- Valencia College received 71,282 unduplicated ISIRs for 2023-2024
- 44% students receive aid
- Total Aid Awarded: \$146,575,688.12 for 2023-2024

SAI Modeling Results

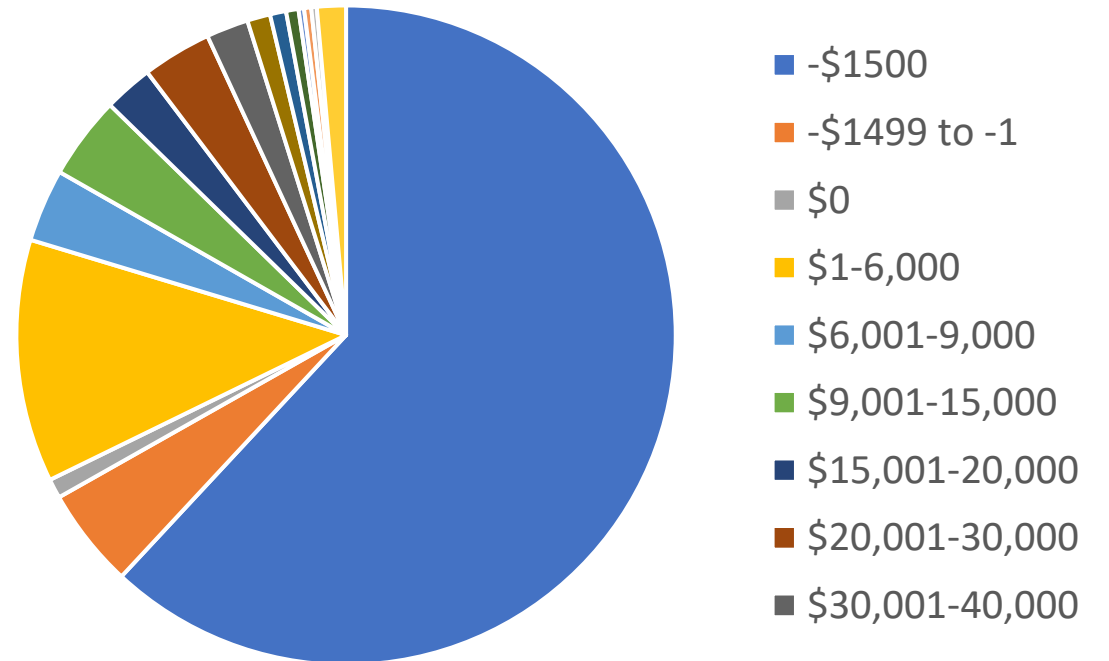
	2023-24 (current methodology) full-time scheduled Pell award	Estimated Pell award using SAI
\$ Total (sum)	\$9,611,113.18	\$55,938,150.00
Average received	\$5,032.00	\$6,859.37
Median	\$5,546.50	\$7,395.00
# of recipients	\$1,910.00	\$8,155.00

SAI Modeling Results cont.

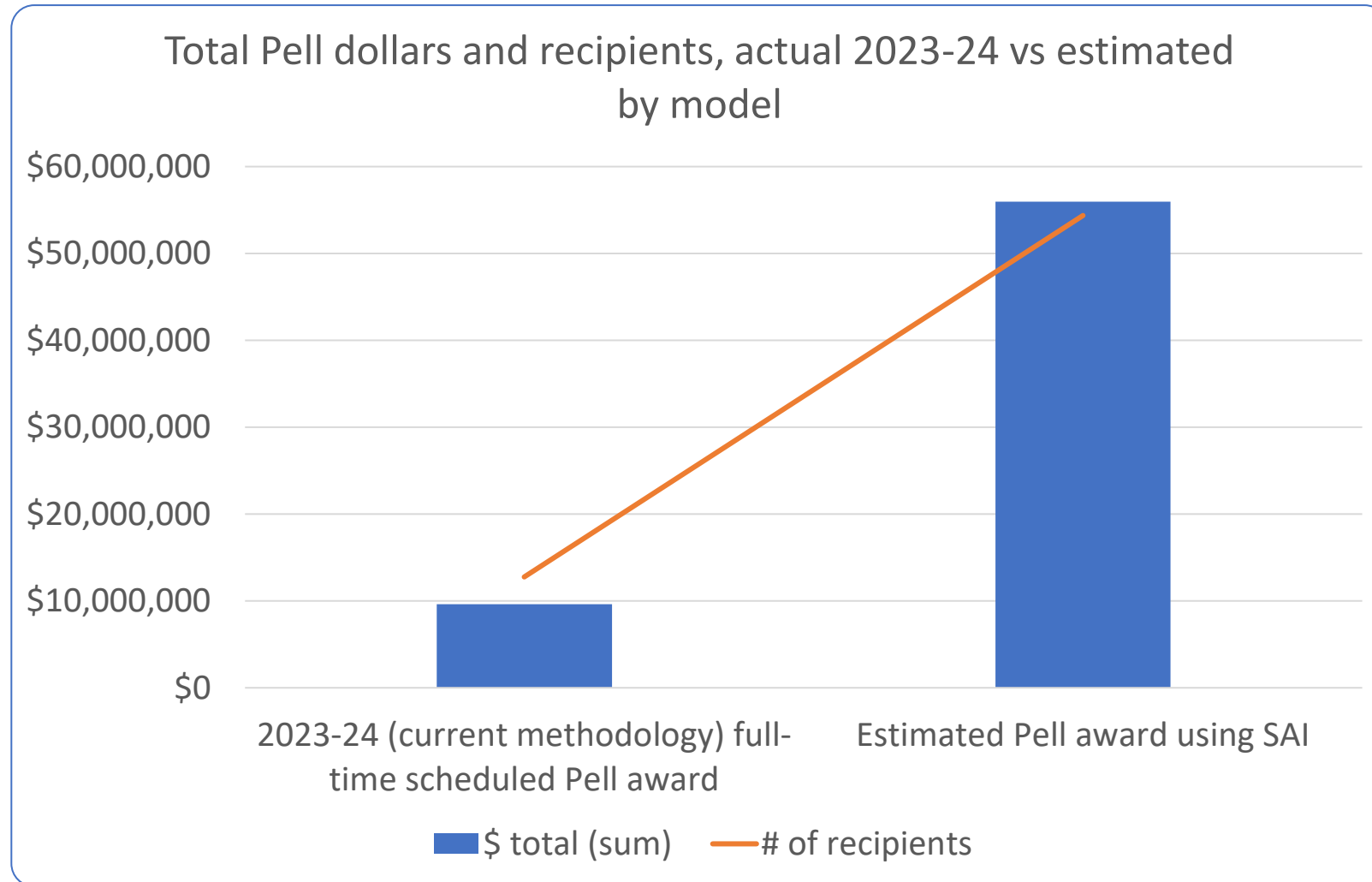
Estimated EFC by range (# in each range)



Estimated SAI by range (# in each range)



SAI Modeling Results cont.



SAI Concerns

- Number of students who have reduced aid
- Number of students who have siblings in school
- How will it impact institutional need-based financial aid funds?

Awarding Concerns

- Awarding usually done in May so concerned about timing of award notifications going out in June
- Corrections for staff cannot be made on ISIRs until late June manually and in batch in July so concerned about the timing for us to make corrections and the award notifications.
- Creating more student engaging communications around each FSA delay or discovery to try to increase the student response time of submitting missing information to lead to an award notification



FIU is a leading urban public research university focused on student learning, innovation, and collaboration.

- 56,000 + Enrollment
- 196 Bachelor's, Master's and Doctoral programs
- Diverse student population – 63% Hispanic, 10% White, 12% Black, 3% Asian or PI, 12% other or not reported.

Financial Aid Statistics

- Nearly 23,000 students received Pell Grants (57% of undergrad students)
- 54% of Pell recipients have a zero EFC
- 44% of Pell recipients are first generation college students
- FIU receives over 90,000 unduplicated ISIRs each year

SAI Modeling Results

	2022-23 (current methodology) full-time scheduled Pell award	Estimated Pell award using SAI
\$ Total (sum)	\$90,280,758.00	\$157,758,018.00
Average received	\$4,301.95	\$6,139.40
Median	\$4,765.00	\$6,895.00
# of recipients	20,986	25,696

SAI Modeling Results

Estimated total # students Pell eligible using new Pell methodology	Estimated # students Max Pell based using new Pell methodology	Estimated # students Calculated Pell based new Pell methodology	Estimated # students Min Pell based on new Pell methodology
25,696	18,753	6,149	794

SAI Modeling Results

- Estimating 4,710 additional Pell Grant recipients for 24-25
- 2200 students with an **increased** SAI
 - 1900 were ineligible for Pell with their current EFC
 - 97 students went from getting to no Pell to receiving some Pell amount (mostly Min Pell) with the new formulas
 - Pell amount for 165 students decreased with the new SAI formulas
 - 55 students who were Pell eligible with the EFC but are not receiving any Pell with the SAI
 - 53 out of those 55 students have more than 1 student in college

Equity Packaging Philosophy

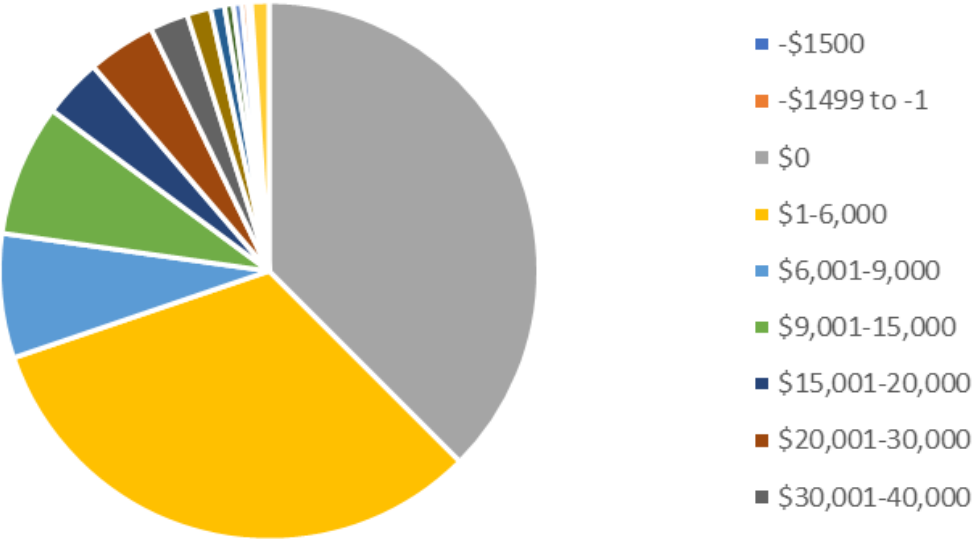
- At FIU scholarships and grants are awarded based on a percentage of a student's financial need.
- That percentage is based on financial need and academic factors.
- A student's financial need is determined by subtracting the SAI, from their COA, determined based on residency for tuition purposes, living arrangements, and intended enrollment level.

Equity Packaging Philosophy – SAI impact

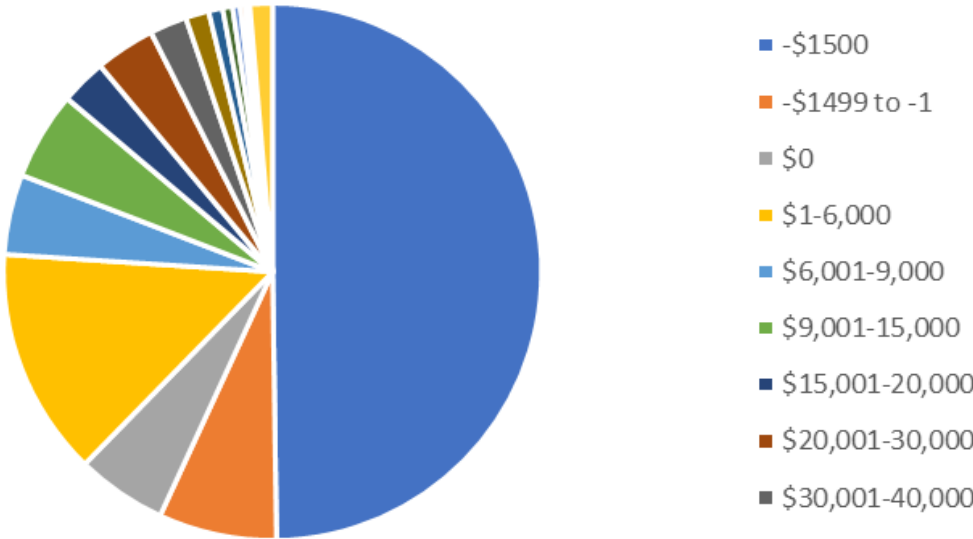
20,679 SAI = Zero or less

12,453 = Zero EFC

Estimated EFC by range (# in each range)



Estimated SAI by range (# in each range)



Returning student packaging

- Cannot afford to use institutional funding to cover the increased demand for need-based grants.
- Will take a 'snap-shot' of total grant and scholarships received for each student in 2023-2024.
- Will ensure that returning students receive the same grant and scholarship total for 2024-2025 – regardless of a change in need.

University of Miami

- Private, not for Profit
- 12,883 undergrads
- 6,710 post-baccalaureate (4,548 grad, 1,328 law, 834 medical)
- 18.5% undergrad admit rate, 26.0% yield rate, 50,822 applicants
- Average SAT 1400 (710 Math, 690 Verbal) – test optional
- For undergrads, meet full-need of every incoming student
- CSS Profile and FAFSA required for undergrad (and Med)
- International students can receive financial aid from UM
- 27% of undergrad students borrow loans, average indebtedness at graduation is \$17,500
- 72% of undergrad students have grant aid; 15% Pell recipients
- Total grants and scholarships for undergrads - \$308.9M
- 2024-25 undergrad COA - \$93,892 on-campus, \$94,752 off-campus



Preparing for EFC to SAI transition – July 2023

Count of SAI Range	Column Labels														
Row Labels	A. 0 EFC	B. 1-6000 EFC	C. 6001-9000 EFC	D. 9001-15K EFC	E. 15001-30K EFC	F. 30001-40K EFC	G. 40001-50K EFC	H. 50001-60K EFC	I. 60001-70K EFC	J. 70001-80K EFC	K. 80001-90K EFC	L. 90001-100K EFC	M. EFC > 100K	Grand Total	
A. -1500 SAI	1038	551	27	23	17	6	3	3	4	1	2	2	12	1689	
B. -1499 to -1 SAI	2	32	2	1										37	
C. 0 SAI	3	128	11	2	5	3	2		1		1		1	157	
D. 1 - 6000 SAI		405	168	33	18	2	2	1	3	1			2	635	
E. 6001 - 9K SAI	1	38	100	87	10								1	237	
F. 9001 - 15K SAI	1	16	83	182	98	1	1		1					383	
G. 15001 - 30K SAI		1	15	161	504	123	10	1	2				1	818	
H. 30001 - 40K SAI			1	6	118	116	95	4	1	2			1	344	
I. 40001 - 50K SAI				2	102	19	94	82	8	1	2	1	3	314	
J. 50001 - 60K SAI					40	57	11	79	54	6	1		2	250	
K. 60001 - 70K SAI					6	55	6	6	63	34	7		1	178	
L. 70001 - 80K SAI					10	24	35	2	9	58	38	5	3	184	
M. 80001 - 90K SAI					5	3	38	8	2	8	42	24	5	135	
N. 90001 - 100K SAI						3	24	22	2		11	42	34	138	
O. SAI > 100K	16					4	17	48	58	57	28	65	940	1233	
Grand Total	1061	1171	407	497	933	416	338	256	208	168	132	139	1006	6732	
Increased need	-	711	208	146	148	135	113	91	74	45	51	32	66	1,820	27.04%
Same need cell	1,043	405	100	182	504	116	94	79	63	58	42	42	940	3,668	54.49%
Reduced need	18	55	99	169	281	165	131	86	71	65	39	65	-	1,244	18.48%

Institutional Methodology

- Used by all top private not-for-profit institutions on US News
- Application is the CSS Financial Aid Profile
- Used in the awarding of all institutional need-based financial aid (UM Coral Grant)
- Result of the formula is the IM EFC (Institutional Methodology Expected Family Contribution); IM EFC is often much higher than FM EFC (and at UM will never be lower than FM EFC)
- Formula and tables are set by a group of financial aid professional convened by the College Board using annual consumer expenditure data
- Formula does include primary residence as asset, builds in an allowance for medical / dental expenses, does not allow for business income “write-offs”, and does not ignore small business assets
- Institutions are given a number of options to choose from and UM uses many of the most conservative options (see next slide)

IM Options used by UM (not considered in FM)

- In divorced / separated cases, requires contribution from both (sets of) parents – could include mother and step-father as well as father and step-mother
- Adds back any tax loss to base income (capital loss, business loss, rental loss, Net Operating Loss carryover, etc.)
- Requires complete review of 1120S, 1065C, and Corporate returns to look for depreciation (added back) and loans to or from shareholders
- Projects value of home based on purchase price and year of purchase, and then uses the higher of either the projected value or family reported value
- Provides a limit to the amount of home equity used in the formula as 3X total family income
- When more than one child is in college, uses the college type (4-year vs. 2-year, private vs. public) to provide an adjustment to the parent contribution rather than simply allowing equal division regardless of type or expense of sibling's institution
- Adds a cost of living allowance (COLA) adjustment factor to base allowances in the formula to account for regional and urban COLA differentials
- Examines monthly mortgage or rent expenses and compares this to income; if total income is less than 36x monthly expense, adds the difference back as untaxed income (we are an outlier in using this approach; not used by other institutions).

Case Example (IM > FM):

- 1st year student
- Parent Adjusted Gross Income = \$16,059
 - ✓ Family wage - \$4,620
 - ✓ Family owns family business (55%)– 1065 earnings \$11,439
- 3 in the family (mom, dad, student) and 1 in college
- For IM only, added back \$27,141 of untaxed income to account for monthly housing payment ($\$1200 \times 36 = \$43,200$; $\$43,200 - \$16,059 = \$27,141$)
- For IM only, estimated business value at \$628,684
- Other parent assets of \$15,000 checking
- Family rents residence, does not own it
- Student has \$2,000 checking

Case Outcome

- Federal Methodology:
 - ✓ \$0 FM EFC, qualifies for simple needs test (no assets included, no add back to income)
- Institutional Methodology
 - ✓ \$16,176 IM EFC made up of the following parts:
 - \$2,500 Student Contribution from income (the minimum UM expects from any student)
 - \$500 Student Contribution from assets
 - \$2,324 Parent Contribution from income
 - \$10,852 Parent Contribution from assets
 - Note that parents offered a contribution of \$500

Case Calculation of Financial Aid Offer

- Cost of Attendance for 2022-23 = \$78,690
 - ✓ Tuition \$55,440
 - ✓ Fees \$1,754
 - ✓ Housing \$9,080
 - ✓ Meals \$ 7,450
 - ✓ Books & Supplies \$1,070
 - ✓ Transportation \$1,500
 - ✓ Miscellaneous \$2,346
 - ✓ Loan Fees \$50
- Financial Aid Award for 2022-23
 - ✓ IM EFC = \$16,176
 - ✓ Need = \$62,514
 - ✓ Pell Grant = \$6,895*
 - ✓ Federal SEOG = \$3,000*
 - ✓ Direct Loan Subsidized = \$3,000*
 - ✓ Federal Work Study = \$3,000*
 - ✓ UM Coral Grant = \$45,900
 - If only FM were used, the grant would have been \$62,795
 - ✓ * = based on FM EFC

Note that the original award was based on the estimated budget (at the time in March 2022) of \$77,646 – aid was not adjusted when budget was finalized

Case Example (IM < FM):

- 1st year student
- Parent Adjusted Gross Income = \$106,571
 - ✓ Family wage - \$105,649
 - ✓ Family has small capital gains - \$4
 - ✓ Untaxed income of \$3,080 of living allowance
- 5 in the family (mom, dad, student, 14 yo sibling. 10 yo sibling) and 1 in college
- For IM only, added back \$27,252 of military housing allowance
- Parent assets of \$79,070 checking and \$32,070 in savings
- Family rents residence, does not own it
- Student has \$1,624 checking

Case Outcome

- Federal Methodology:
 - ✓ \$35,429 FM EFC
 - \$0 Student Contribution from income
 - \$325 Student Contribution from assets
 - \$32,568 Parent Contribution from income
 - \$2,536 Parent Contribution from assets
- Institutional Methodology
 - ✓ \$25,829 IM EFC made up of the following parts (due to FM flooring, EFC adjusted to \$38,010):
 - \$2,500 Student Contribution from income (the minimum UM expects from any student)
 - \$406 Student Contribution from assets
 - \$22,923 Parent Contribution from income (due to FM flooring, PC adjusted to \$35,104)
 - \$0 Parent Contribution from assets (assets protected for younger siblings' college education)
 - Note that parents offered a contribution of \$500

Case Calculation of Financial Aid Offer

- Cost of Attendance for 2022-23 = \$78,690
 - ✓ Tuition \$55,440
 - ✓ Fees \$1,754
 - ✓ Housing \$9,080
 - ✓ Meals \$ 7,450
 - ✓ Books & Supplies \$1,070
 - ✓ Transportation \$1,500
 - ✓ Miscellaneous \$2,346
 - ✓ Loan Fees \$50
- Financial Aid Award for 2022-23
 - ✓ IM EFC = \$38,010
 - ✓ Need = \$40,680
 - ✓ Direct Loan Subsidized = \$3,000*
 - ✓ Federal Work Study = \$3,000*
 - ✓ Presidential Scholarship = \$25,000
 - ✓ Veterans Benefits = \$29,801**
 - ✓ Florida Bright Futures = \$6,752
 - ✓ Florida EASE = \$2,000
 - ✓ UM Caldwell Grant = \$2,000
 - ✓ * = based on FM EFC
 - ✓ ** = ignored for FM need purposes

Major Reasons for Adjustments from EFC to SAI

- Factors increasing SAI from EFC
 - ✓ Number in college no longer factored into calculation
 - ✓ Child support paid no longer allowed as a deduction from income
 - ✓ Business and investment farms now reported as assets for FAFSA
 - ✓ No adjustment for periods of enrollment less than 9 months
- Factors reducing SAI from EFC
 - ✓ Child support received moved from income to assets
 - ✓ Many types of untaxable income removed from consideration
 - ✓ Sizable increases in base allowances against income

July 2023 – IM vs. FM analysis

Number	%ge	Description
1145		Students in first year with institutional grant, FAFSA and CSS Profile
18	1.57%	Students with data irregularity that prohibits comparison
1127		Student who can be analyzed
127	11.27%	Students whose IM Parent contribution is floored to FM parent contribution
424	37.62%	Students who SAI is greater than FM EFC
703	62.38%	Students who SAI is less than FM EFC
229	20.32%	Students whose SAI is greater than IM EFC
		Amount of lost aid for these students if we floor IM to FM
		2.67M total
		\$11,665 average loss
80	7.10%	Students with IM floored PC where SAI would be lower so more aid would be offered
		Amount of needed additional aid for these students
		518K total
		\$6,560 average increase

Campbellsville University

- **Small Private Christian Institution with the main campus located In South Central Kentucky**
- **Regional locations in Harrodsburg, Somerset, Louisville, & Harrodsburg**
- **Online School with multiple degrees offered.**
- **Graduate programs in Los Angeles, CA & Windsor, Ontario, Canada**





- **Approximately 10,000 students, with about 2700 undergraduates**
- **Offering certificate and diploma programs, along with undergraduate, graduate and professional degrees**
- **Offers over 80 Degree Programs**
- **30 Sports Teams – Men & Women**

Before 2024-25

CU packaging policy was/is determined by Need and Merit

- **Such as a high academic, needy student will have a higher percentage of need met than a lower academic, needy student.**
- **Athletes were packaged on a similar policy – using athletic performance grant to bridge gap**

Ran the NASFAA Modeling Tool on 2023-24 Data in September 2023

- **Pell Recipients will increase approximately 12%**
- **Approximately 4% will lose Pell Eligibility**



CU Increases for 2024-25

- **Tuition Increases averaging 5% across locations**
- **Campus Housing Costs increasing by 6.98%**

- **All Merit Awards, considered discounts, increasing by \$1000 for new students (Continuing Merit remains the same)**

F-SEOG Awards Remained at \$1400 for full-time students attending main campus

Kentucky State Grants Remain The Same

- **College Access Program (CAP) Grant \$5300 – Awarded to Kentucky residents that are receiving Pell**
- **Kentucky Tuition Grant (KTG) \$3300 – Awarded to full-time Kentucky residents that have remaining need after other scholarships/grants have been awarded**

WHAT WE ARE DOING FOR INCOMING STUDENTS



- Athletes will receive performance grant to stack
- Using other institutional funding (affecting discount)
 - Using Real Dollar Funding “deal closing”
 - Increasing # of Full-tuition scholarships
- Increasing funding for Top 5% of KY high school graduates
- Utilizing endowed & restricted funding as gap funding

WHAT WE ARE DOING FOR CONTINUING STUDENTS

- Aid will remain as the previous year for the majority
- Using new funding to assist in retaining approximately 50 students
- We will look at students individually with increased SAI due to # in college or something other than earnings



Thank You