

AGENDA ITEM 5.

**MONETARY AWARD PROGRAM (MAP)
START-UP FORMULA**

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FY2026 MONETARY AWARD PROGRAM (MAP) START-UP FORMULA

Submitted for: Action

Summary: The Commission approves a Monetary Award Program (MAP) eligibility formula near the normal October 1st start of the Free Application for Federal Student Aid (FAFSA) filing process, more than 10 months before the academic year begins. This enables schools to provide financial aid packages early, which helps students make enrollment decisions. Since MAP Start-up occurs before the state budget process, we assume the MAP will receive level funding of \$711.6 million, and that up to two percent may be used for operational costs.

MAP eligibility determination begins with the Federal Student Aid Index (SAI, formerly Expected Family Contribution or EFC) which is calculated from FAFSA (or Alternative Application for Illinois Financial Aid) data. As a result, the FY2025 MAP cycle was dominated by changes due to the *FAFSA Simplification Act*, which passed Congress at the end of 2020. Implementation was complicated and the rollout of the new FAFSA was wrought with problems. The 2024-25 FAFSA was not available until the end of December 2023, with multiple issues yet to be discovered and fixed. For the 2025-26 FAFSA cycle, Federal Student Aid has announced plans for a “limited soft launch” on October 1st, with the intention of discovering and fixing issues through November and providing universal FAFSA access by December 1st.

While approval of a FY2026 MAP Start-up formula is the focus of this item, some basic MAP issues are also discussed. These include overviews of the MAP cycle and current eligibility formula, effects of recent formula improvements on tuition and fee coverage, and trends in application volume. As typically happens at start-up, staff is recommending adoption of the current FY2025 MAP eligibility formula for beginning the FY2026 MAP cycle.

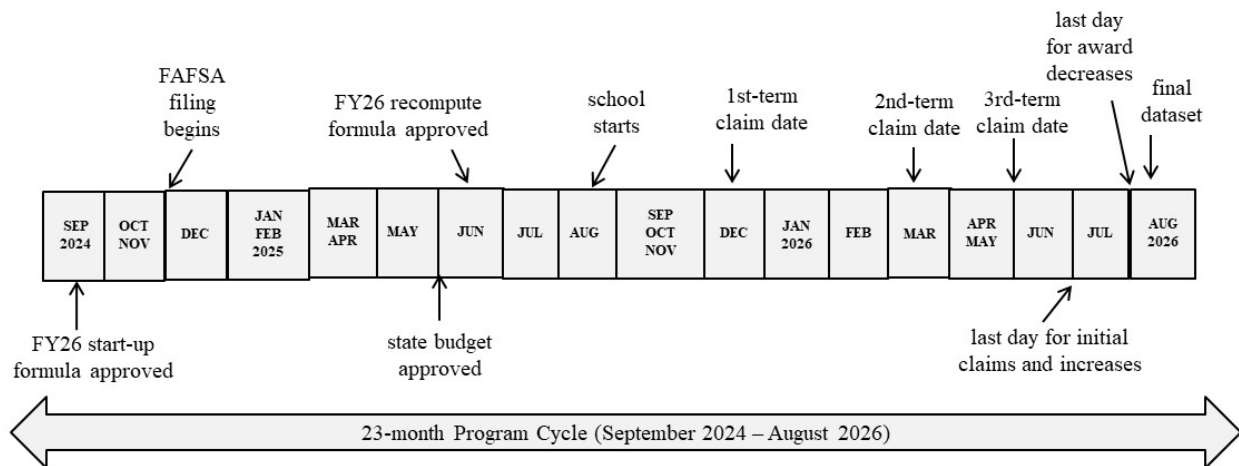
Action requested: Staff requests Commission approval of the MAP formula found in Table One, at the end of this item, as the FY2026 MAP Start-up Formula. This is the same as the FY2025 MAP Recompute Formula approved at the June 20, 2024 Commission meeting.

**ILLINOIS STUDENT ASSISTANCE COMMISSION
FY2026 MONETARY AWARD PROGRAM START-UP FORMULA**

The Monetary Award Program Cycle

Approval of a start-up eligibility formula is the first step in the MAP cycle, which is illustrated in Figure One. An early start-up formula enables schools to include Monetary Award Program (MAP) grants in financial aid packages and helps students make informed enrollment decisions. An approved start-up formula also allows staff to project MAP claims as applications are submitted, to help determine if adjustments are needed. Free Application for Federal Student Aid (FAFSA) and Alternative Application for Illinois Financial Aid filings for academic year 2025-26 will begin by December, when the FAFSA is expected to be universally available. The Alternative Application is filed by undocumented students who are ineligible for federal student aid. Typically, the MAP eligibility formula from the previous year is recommended as the start-up formula for the upcoming year.

Figure One: The 23-Month FY2026 MAP Cycle



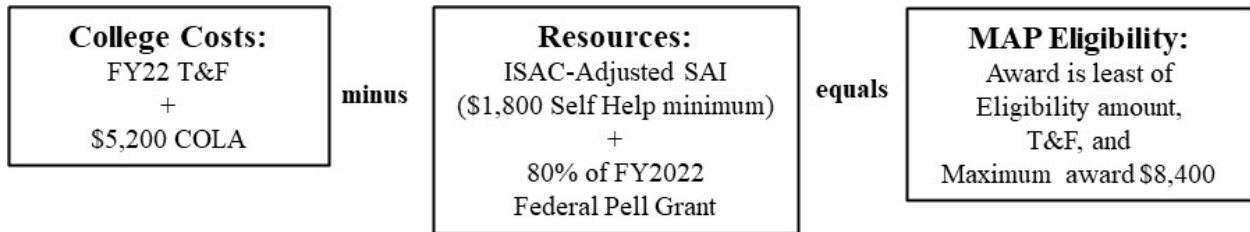
Ideally, a state budget is approved by the end of May. Based on the final appropriation, changes may be made to the MAP formula and presented to the Commission in June. If changes are made, awards are recalculated shortly thereafter. The fall term typically begins in mid- to late-August and the first-term MAP claim deadline is in early December. If a suspense date had been set prior to that, staff re-evaluates projected annual claims based on actual first-term claims, to determine whether any suspended awards could be released. The MAP Cycle continues through the academic year and wraps up by early August.

MAP Formula Improvements Improved Purchasing Power Through FY2024

MAP eligibility is determined by subtracting student resources from the cost of college enrollment. Costs are represented by tuition and fees plus a living allowance. Resources include an adjusted SAI amount and 80 percent of Pell eligibility. The annual MAP award is the lowest of the eligibility amount, tuition and fees, or the MAP maximum award.

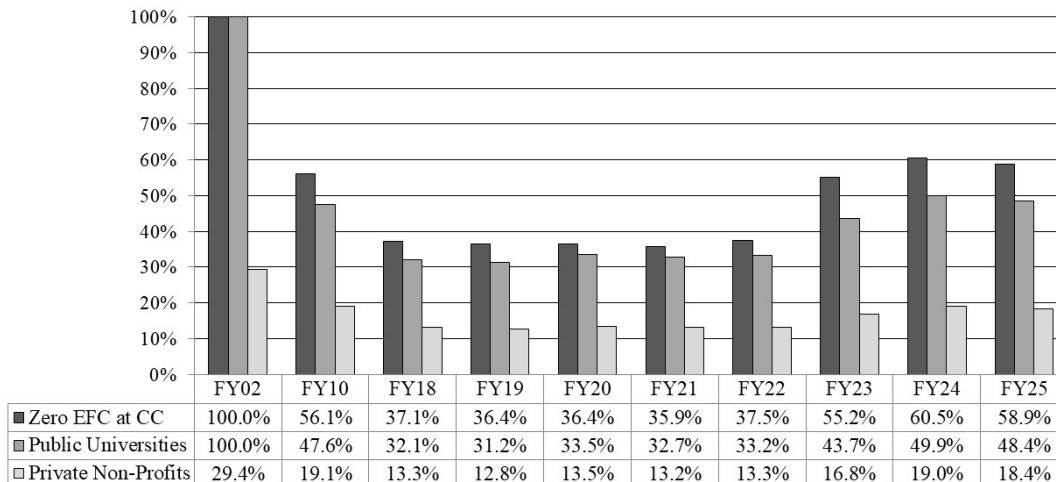
Prior to the MAP receiving a total \$222 million in FY2023 and FY2024, the formula had become outdated. Small advancements were made with increased funding in FY2018 through FY2022, but the focus was mostly on offering MAP to eligible students whose awards would have otherwise been suspended. The formula used FY2004 tuition and fees from FY2006 through FY2017 and a \$4,968 maximum award from FY2002 through FY2019. From 2011 through 2019, all awards were reduced to stretch the appropriation further. In FY2023, tuition and fees were updated to FY2022 levels, the maximum was raised to \$7,200 and all eligible applicants were offered MAP grants. The maximum award increased to \$8,400 in FY2024. The \$10 million received in FY2025 is reserved for eligibility increases due to FAFSA Simplification, rather than formula improvement. Figure Two shows the current formula.

Figure Two: The Current MAP Eligibility Formula



In FY2002, the highest MAP awards fully covered tuition and fees at community colleges and public universities, as shown in Figure Three. Coverage declined as application volume increased and funding did not keep pace. Even with appropriation increases in three of the five years prior to FY2023, coverage only held steady. Formula improvements, made possible by a total \$222 million of increases in FY2023-24, moved the bars noticeably upward, with coverage levels similar to FY2010. The goal of 50 percent coverage at public schools, set in *A Thriving Illinois*, was surpassed for community colleges in FY2023, and reached (with rounding) for public universities in FY2024. Unfortunately, MAP purchasing power will decline in FY2025 as tuition and fees increased but the eligibility formula did not change.

Figure Three: MAP Tuition and Fee Coverage

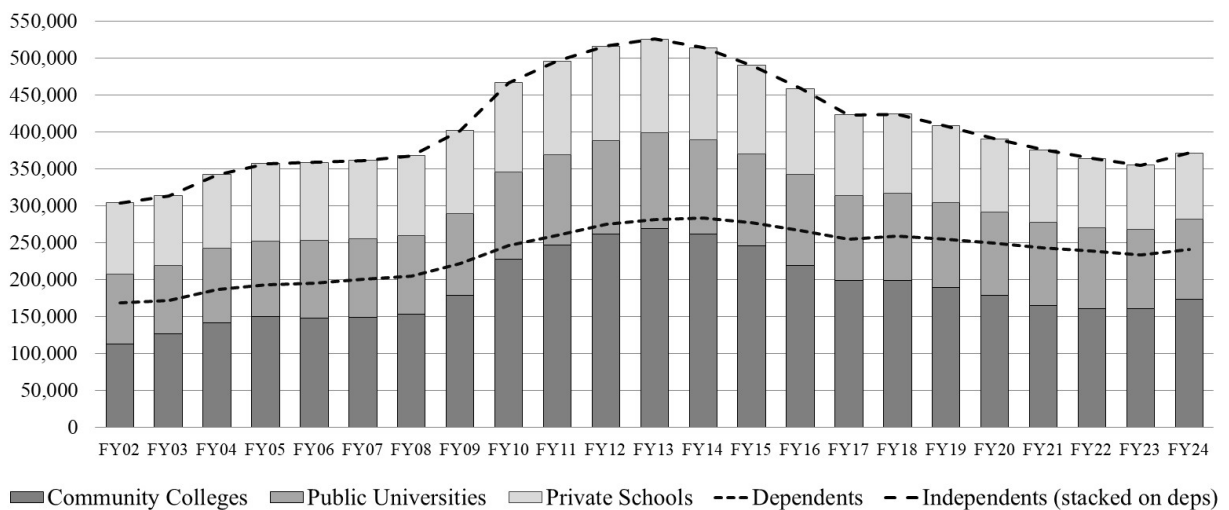


MAP Application Volume is Increasing Again

The balance between improving MAP purchasing power and providing basic access, by offering awards to all eligible students, depends partly upon demand for student aid. For a historical perspective, Figure Four shows announced applications by sector of first-choice school from FY2002 to FY2024. Announced applicants (undergraduate Illinois residents completing FAFSAs and expressing interest in a MAP-approved school) increased more than 85 percent between FY2001 and FY2013, when application volume peaked. By FY2023, application volume was down 32 percent from the peak, but still 25 percent higher than FY2001. However, FY2024 announced applicants were up nearly 5 percent, and eligible applicants increased more than 6 percent from the previous year.

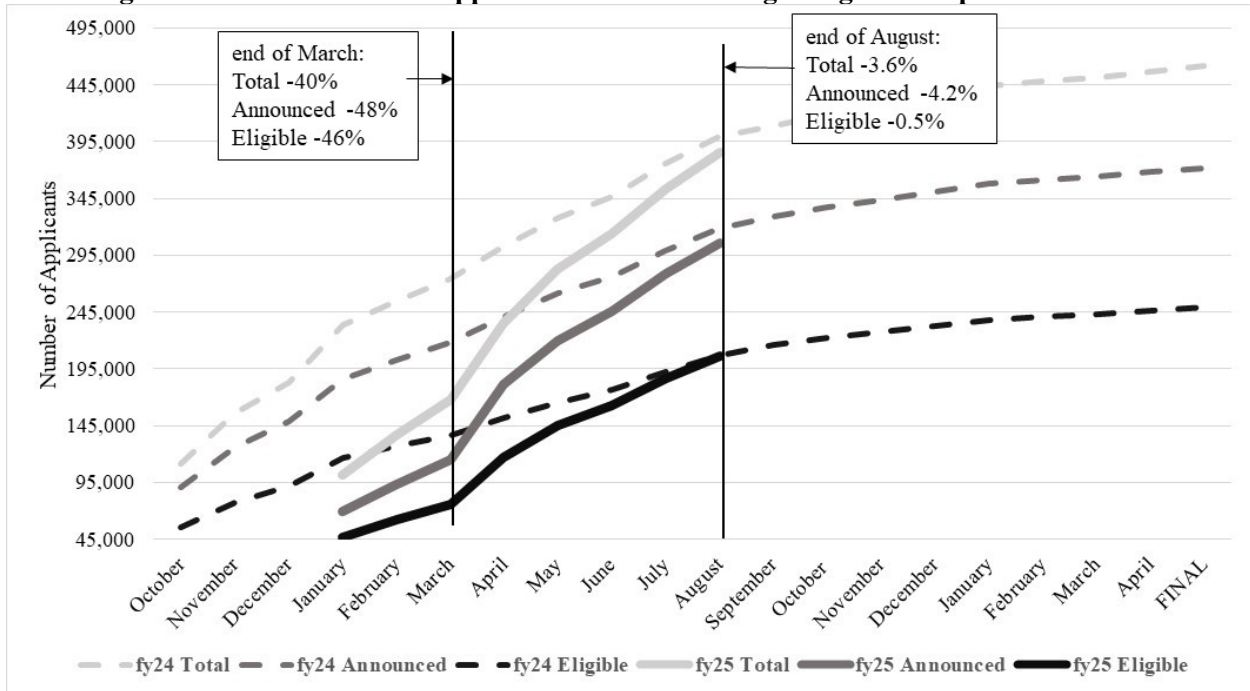
Community colleges saw the highest increases in FY2024, with MAP-eligible applicants up 10 percent. Private universities had nearly 5 percent more eligible applicants, while public universities saw a smaller increase under 2 percent. Independent eligible applicants increased by more than 8 percent, while eligible dependents increased nearly 5 percent. Improved MAP tuition and fee coverage, provided by larger awards in FY2023 and FY2024, likely had a positive effect on FY2024 application volume.

Figure Four: MAP Announced Application Volume FY2002 through FY2024



At this point, it appears likely that FY2025 application volume (especially eligibles) will eventually exceed FY2024, in spite of the disastrous start (see Figure Five below). FAFSA filing began three months late, with multiple unforeseen problems, not all of which have been resolved. At the end of March, total applicants (Illinois filers who listed at least one MAP school on their FAFSA) were down 40 percent from FY2024. With the help of extensive summer outreach efforts, the difference has improved to less than 4 percent at the end of August. The count of FY2025 applicants eligible for a MAP grant at their first-choice school was down 46 percent at the end of March. However, by the end of August, eligible applicant volume was only half a percent lower and may exceed FY2024 levels when some outstanding issues remaining from the FAFSA launch are eventually corrected.

Figure Five: FY2025 MAP Application Volume through August Compared to FY2024



At the FY2013 peak of application volume, awards for nearly 45 percent of eligible applicants had been “suspended,” and not offered to eligible applicants filing FAFSAs on or after the suspense date. The combination of lower application volume and improved funding decreased that metric to 10 percent by FY2021. In FY2022 and FY2023, MAP grants were offered to all eligible students for the first time since FY2001. However, in FY2024, higher application volume prompted an award suspension for applicants filing after September 22 and nearly 12 percent of eligible applicants (28,728 out of 249,040) were not offered awards. (Using FY2023 claim rates for filers during this time period shows that, *without the suspense*, an estimated 9,141 additional recipients would have claimed \$20.4 million. Adding these figures to the actual claims indicates that about 6 percent of potential recipients and about 3 percent of potential claims were suspended to stay within the appropriation with the MAP formula parameters.

In FY2025, higher projected MAP claims, due in part to anticipated expanded eligibility and uncertainty caused by FAFSA Simplification changes, prompted an August 21 initial suspense date. Unfortunately, the MAP is once again in the position of needing more funding, not only to keep pace with tuition and fee increases, but also to offer awards to all eligible students.

Action Requested

Staff requests Commission approval of the formula in Table One below as the FY2026 MAP Start-up Formula. This is the FY2025 Recompute Formula, which uses FY2022 tuition and fee levels and Pell table; a \$5,200 living allowance; and an \$8,400 maximum award.

Table One: Recommended FY2026 Start-up Formula

<i>Budget</i>	
1	Use 2021-2022 reported tuition and fees at all institutions, assessed at 100 percent.
2	Use one living allowance for all applicants, set to \$5,200.
<i>Resources</i>	
1	Use 80 percent of Pell Grant eligibility as determined by the 2021-2022 Pell Grant Payment Schedule, which contains a \$6,495 maximum.
2	<p>Calculate the ISAC-adjusted Student Aid Index (SAI) by inflating the SAI:</p> <p><u>Adjusted Student Aid Index for Dependent Students:</u> If SAI ≤ 0 set the following = 0 to calculate Adjusted SAI: Parent Contribution (PC), Student Contribution from Income (SCI), Student Contribution from Assets (SCA) If SAI > 0 and PC < 0 set PC = 0 to calculate Adjusted Parent Contribution Adjustment Factor = [(Parent Contribution/11,000) + 1.10] rounded to 2 decimal places Adjusted PC = PC x Adjustment Factor (round to nearest whole number) Student Contribution (SC) = SCI + SCA Adjusted SC = highest of SC or self-help expectation Adjusted SAI = Adjusted PC + Adjusted SC</p> <p><u>Adjusted Student Aid Index for Independent Students:</u> If Student Aid Index (SAI) < 0, set SAI = 0 for calculation of Adjusted SAI Adjustment Factor = [SAI/11,000 + 1.10] rounded to 2 decimal places Adjusted SAI = highest of SAI x Adjustment Factor (rounded to nearest whole number) OR self-help expectation</p>
3	Use a minimum self-help expectation of \$1,800 for all students.
<i>Award Amounts</i>	
1	Set maximum award equal to lesser of \$8,400 or the tuition and mandatory fees specified in the budget.
1	Set the minimum award to \$300; round maximum eligibility in \$150 increments to calculate partial awards.
2	Applicants with a (Federal) SAI of \$9,000 or above are not eligible.
3	If determined necessary after first-term claims are received, either release some suspended applications and/or adjust claims to maximize claims without exceeding the appropriation.
4	Students with 135 or more MAP paid credit hours will not be eligible for MAP.