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## **FAFSA Simplification: Treatment of Negative Student Aid Index (SAI) for SC Tuition Grants Purposes**

Effective with the 2024-2025 FAFSA, the Estimated Family Contribution (EFC) will be replaced with the Student Aid Index (SAI) as part of the broader changes being implemented by the FAFSA Simplification and FUTURE Acts. While the new formula will allow an individual's SAI to be as low as negative \$1,500, the US Department of Education has issued guidance stating the following:

"A student's SAI may be a negative number (down to -1,500). A negative SAI should be treated as a zero in determining a student's eligibility for need-based financial aid. In other words, treat a negative SAI as a zero when subtracting the SAI value from cost of attendance to determine a student's unmet need." \*

The current formula for determining eligibility for a South Carolina Tuition Grant is:

Cost of Attendance (COA) minus Estimated Family Contribution (EFC) = Financial Need

With the change from SAI to EFC, and based on the guidance provided by the US Department of Education, the new formula for determining eligibility for a South Carolina Tuition Grant effective with the 2024-2025 FAFSA cycle will be:

Cost of Attendance (COA) minus Student Aid Index (SAI – NOT TO FALL BELOW ZERO) = Financial Need

This change will take effect beginning with the 2024-2025 award year, with processing of applications to begin in December 2023 upon release of the new FAFSA form by the US Department of Education.

\* 2024-2025 DRAFT SAI GUIDE SUPPLEMENT: EFC-to-SAI CROSSWALK

<https://fsapartners.ed.gov/sites/default/files/2023-05/202425DRAFTSAIGuideSupplementEFCtoSAICrosswalk.pdf>