

AGENDA ITEM 5.

FY2027 MONETARY AWARD RECOMPUTE FORMULA

Submitted for: Action

Summary: In September 2025, the Commission approved a Monetary Award Program (MAP) Start-up formula to calculate eligibility for applicants planning to attend college in the 2026-27 academic year. Setting a formula when the FAFSA-filing cycle begins helps financial aid advisors assemble aid packages that help applicants decide whether and where to enroll. Recompute takes place when the MAP appropriation is finalized through the state budget process the following spring.

This MAP cycle has followed a timeline much closer to “business as usual.” In FY26, the year immediately following the implementation of FAFSA Simplification, analyses conducted in May indicated that, despite maintaining the 4% reduction factor in the MAP formula to avoid early suspense, the FY26 application volume was projected to exceed that of FY25, requiring an early June 5, 2025, suspense date. Following the early December first-term claim deadline, further analyses indicated that, although eligible applications were about 7% higher than FY25, MAP claims were lower than projected. Consequently, a decision was made to proceed with limited releases of initially suspended MAP applications, starting with those submitted through July 1 and subsequently including those submitted through July 30.

Meanwhile, to keep FY27 claims within the appropriation and avoid the mid-year award reductions experienced in FY25, the decision was made to carry over the 4% reduction factor into the FY27 Start-up formula. As the cycle progressed, it became evident that FY27 application volume—driven by a soft launch one week ahead of the traditional October 1 date, nearly two months earlier than the FY26 FAFSA launch—would continue to place significant pressure on the MAP budget.

By mid-April, FY27 claim projections indicated that including a 4% reduction factor in the Start-up formula was not sufficient and suspending award announcements weeks earlier than the FY26 June 5 suspense date was necessary to avoid overspending. This decision was based on both the increased application volume compared to the same period in FY26 and the expectation of similar claim rates. As

a result, award announcements for FY27 applicants filing after April 23, 2026, were placed in suspense. If actual claims fall below projections, additional awards will be released accordingly, as occurred in FY26, likely after the early December first-term claim deadline.

While it includes no additional funding, FY27 provides a steady baseline—the MAP received level funding of approximately \$721.6 million. Reflecting long-term growth, this appropriation is nearly 80% higher than in FY19 and secures at least \$707.1 million for grants; up to 2% of the total MAP appropriation may be used for agency operational costs. Given the sustained high demand and the continued impact of FAFSA Simplification on eligibility, this appropriation will be used to support the maximum number of students under the current formula parameters.

Action Requested:

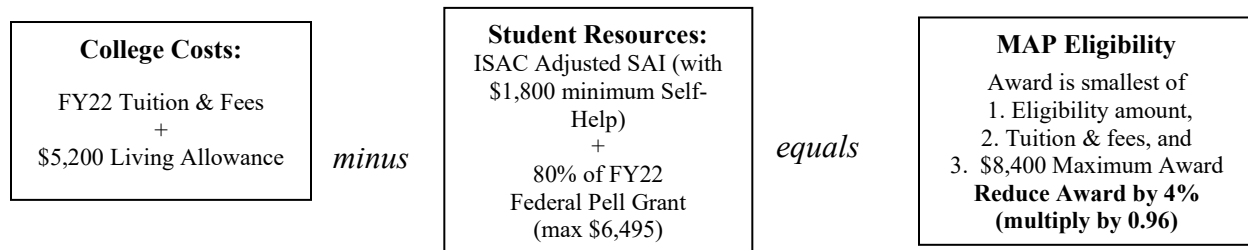
Staff requests Commission approval of the formula found in Table Three, at the end of this item, as the FY27 MAP Recompute Formula. This formula is the same as the FY27 MAP Startup Formula approved in September 2025, which includes the 4% reduction factor.

**ILLINOIS STUDENT ASSISTANCE COMMISSION
FY2027 MONETARY AWARD PROGRAM RECOMPUTE**

The MAP Eligibility Formula

The MAP formula determines whether a student is eligible for a grant and calculates the annual award amount. Figure One shows the basic formula, which uses the difference between a cost of attendance figure and student resources to calculate maximum eligibility. Costs include FY22 tuition and mandatory fees and a \$5,200 living allowance. Resources include an inflated Student Aid Index (SAI) and a portion of FY2022 Pell grant eligibility.

Figure One: MAP Eligibility Formula



MAP eligibility is determined by subtracting resources from costs. If the difference is at least \$300 and other criteria are met, the student is eligible for a MAP grant. Eligibility is capped by the lowest of the eligibility amount from the formula, tuition and fees used in the costs, or the \$8,400 maximum award. Awards based on the eligibility amount are rounded in \$150 increments. For FY25 through FY27, awards are reduced by 4%. Applicants with a Federal SAI of \$9,000 or more are not eligible for a MAP grant.

With application volume decreasing after a rapid increase through FY13, the focus of the 75% increase in funding from FY19 to FY24 shifted from awarding more students to improving the MAP formula. Updates included bringing tuition and fees to FY22 levels, increasing the living allowance from \$4,875 to \$5,200, and increasing the maximum award from \$4,968 to \$8,400. In FY24, application volume began trending upward again.

The implementation of FAFSA Simplification in FY25 significantly increased award eligibility, requiring a mid-year award reduction to keep claims within the appropriation. This reduction – equivalent to 4 % on an annual basis – was continued in the FY26 MAP formula and the FY27 MAP Startup formula and is included in the FY27 MAP Recompute formula recommended in this item. The 4 % reduction factor is applied to all awards and lowers the maximum award to \$8,064.

MAP formula components are still not current, but between FY19 and FY26, students eligible for the highest awards have seen (enrollment-weighted sector average) tuition and fee coverage increase from 36% to 55% at community colleges, 31% to 45% at public universities, and 13% to 17% at private non-profit schools. FY27 coverage will continue to see a slight decrease as tuition and fees at institutions increase while the MAP formula parameters remain the same.

FY27 MAP Application Volume Comparisons Are Impacted by Timeline

Application volume analyses are impacted once again by FAFSA filing start dates. For the FY2026 FAFSA filing cycle, the FAFSA became available for all on November 18, 2024, following several weeks of beta testing and a limited soft launch. For FY2027, the Department of Education announced that FAFSA would be available 1 week earlier than the usual October 1st, almost 2 months before the FY26 start date. While this allows for a more traditional filing cycle in FY27, being available nearly two months earlier than the previous filing cycle makes the “same point in time” comparison between FY27 and FY26 counts not feasible during the first few months of filing. Application volume comparisons remain fragile due to differences in the FAFSA filing start dates between the cycles.

Because FY25 data was not available for comparison until late May, staff used FY24 and FY26 in the FY27 application volume analysis, including current FY27 counts against FY24 (normal October 1st start) and FY26 “same point in time”, and the number of weeks into filing counts against FY26. Table One below outlines the FY27 total, announced, and eligible application volumes, compared with FY24 and FY26.

Table One: FY27 Application Volume Compared to FY24 and FY26 Over Time

| | FY27 vs FY24 point in time | | | FY27 vs FY26 point in time | | | FY27 vs FY26 number of weeks into filing | | |
|--------|-------------------------------|-----------|----------|-------------------------------|-----------|----------|---|-----------|----------|
| | total | announced | eligible | total | announced | eligible | total | announced | eligible |
| 21-May | 19.6% | 19.9% | 27.0% | 13.8% | 15.1% | 16.0% | -1.5% | -0.8% | -1.1% |
| 14-May | 20.3% | 20.6% | 27.9% | 14.8% | 16.2% | 17.1% | -1.8% | -1.1% | -1.3% |
| 7-May | 21.1% | 21.5% | 29.0% | 15.4% | 17.0% | 17.9% | -2.0% | -1.3% | -1.4% |
| 2-Apr | 17.6% | 17.5% | 25.0% | 17.2% | 18.8% | 19.9% | -5.5% | -4.7% | -4.6% |
| 5-Mar | 14.3% | 14.2% | 22.1% | 22.4% | 24.8% | 25.8% | -7.2% | -5.7% | -5.0% |
| 5-Feb | 10.3% | 9.5% | 17.3% | 30.6% | 33.3% | 33.1% | -7.1% | -5.7% | -4.6% |
| 8-Jan | 10.7% | 9.4% | 18.3% | 47.1% | 50.5% | 49.3% | -7.3% | -5.6% | -4.4% |
| 18-Dec | 5.1% | 3.5% | 12.8% | 135.1% | 144.7% | 137.9% | -13.1% | -11.4% | -10.7% |

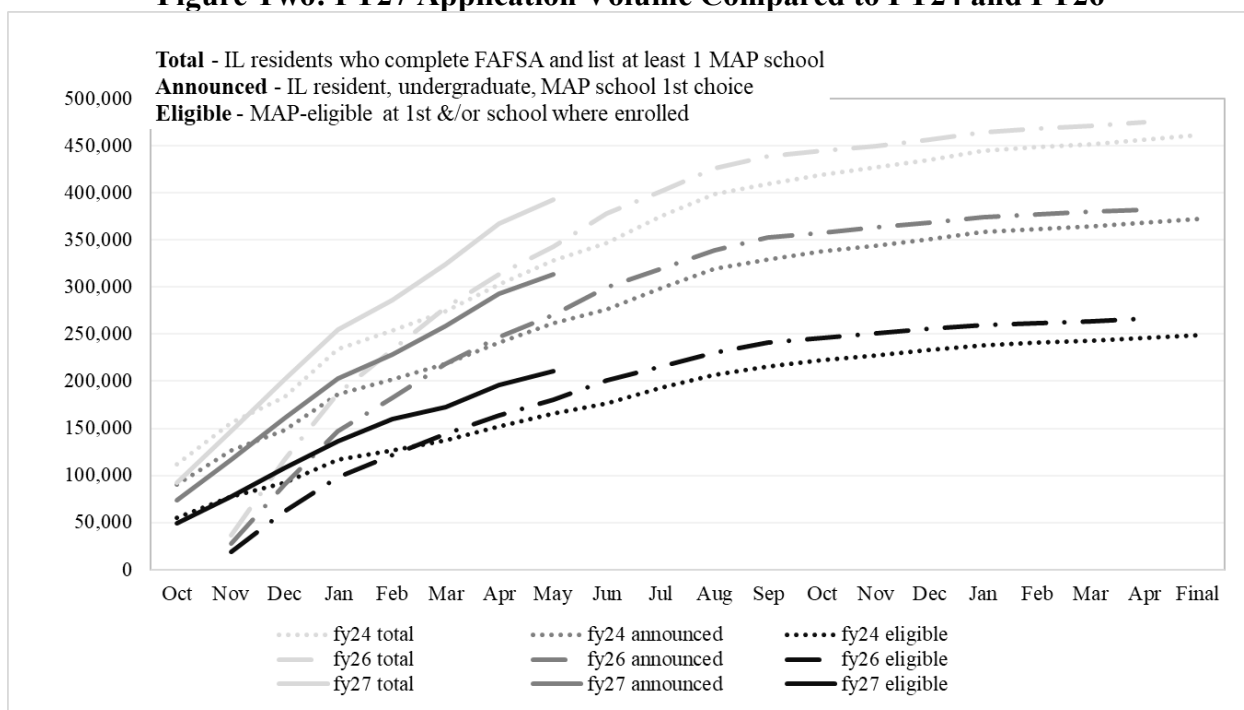
Despite launching a week ahead of the traditional October 1st start date, the FY27 application volume started out well behind, but gradually closed the gap by December and later surpassed FY24 levels for all groups, but particularly among eligible applicants. In mid-May, FY27 counts reached higher than FY24 levels, by more than 20% for total and announced, and approaching 28% for eligible (though these margins may narrow as the cycle progresses). The higher percentage difference in the eligible count is due to FAFSA Simplification changes implemented in FY25, which have led to more MAP-eligible applicants.

In contrast, early application volume comparisons with FY26 yield different insights depending on the metric used. Because the FY27 filing began nearly two months earlier than FY26, early FY27 application volume appeared artificially higher than FY26 on a point-in-time basis but lagged behind FY26 when compared by weeks into the filing. By late spring, this percentage

difference narrowed; however, it remained high on a point-in-time basis while converging with FY26 levels when compared by the number of weeks into filing.

It is helpful to see how application volume is distributed over time. Figure Two shows total, announced, and eligible monthly counts for the full FY24 and FY26 cycles and counts through May 2026 for FY27. Note the slope of the normal FY24 cycle which started October 1, 2022. There is a rapid increase in filings through January, then the slope declines slightly through August, as filings continue to rise but at a slower pace. After August, the slope declines again. Partly due to the start on November 18 in FY26, the filing began with a sharper slope than FY24 through January, then the slope started declining but remained steeper than FY24 through August, after which the curve slowed down, while keeping much higher application volume than FY24.

Figure Two: FY27 Application Volume Compared to FY24 and FY26



The early outreach efforts encouraging applicants to complete the FAFSA, combined with the advantage of an earlier and less problematic launch, resulted in a robust start to the FY27 filing cycle. The slope for FY27 filing across all groups is visibly steeper than FY24 through January, reaching a much higher application volume than either FY24 or FY26. Although the pace slowed after January, as seen in previous cycles, the application volume across the total, announced, and eligible groups remains noticeably higher.

Additionally, a format change in the FAFSA data files (known as ISIRs) sent by the Department of Education to schools and state agencies was scheduled for late April. The format change was needed to accommodate the Department of Education’s new Workforce Pell program. Because the change could require a few weeks of changes and testing for systems used by Financial Aid offices, some schools encouraged students to complete their FAFSAs before the ISIR change, to ensure their application processes were not negatively impacted by the testing period.

It will be interesting to watch the filing cycle proceed. Are applicants just completing FAFSAs earlier due to additional filing time and the anticipated late-April glitch and outreach efforts, or will application volume remain significantly above prior years through the cycle?

Table Two below shows FY27 application volume comparisons with FY24 and FY26 as of May 21st, broken down by sector of first-choice school and dependency type. While applicant counts are significantly up in all sectors and for both dependency types, interest in community colleges and counts for independent students (which tend to go together) are particularly high.

The count of FY27 eligible applicants with a community college listed first on their FAFSA is about 39% higher than FY24 and about 19% higher than the FY26 same point-in-time counts. On the contrary, eligible applicant counts across all sectors except public universities are lower than FY26 levels in the number of weeks into filing comparison. This contrast between the two comparison methods is mainly due to FY27 FAFSA filing starting two months earlier than FY26 filing.

Table Two: FY27 Application Volume through May 21 by Sector and Dependency Type

| FY27 Eligible Applicants by Sector and Dependency Type | FY2027 9/24/25 - 05/21/26 | FY2024 10/01/22- 5/21/23 | fy27 vs fy24 filing at 5/21 | FY2026 11/18/24 - 05/21/25 | fy27 vs fy26 point-in-time at 5/21 | FY2026 11/18/24- 7/15/25 | fy27 vs fy26 34 weeks into filing |
|--|---------------------------------|--------------------------------|-----------------------------------|----------------------------------|--|--------------------------------|---|
| public universities | 62,984 | 52,777 | 19.3% | 53,597 | 17.5% | 59,958 | 5.0% |
| private universities | 44,284 | 37,459 | 18.2% | 40,554 | 9.2% | 45,936 | -5.8% |
| community colleges | 92,416 | 66,469 | 39.0% | 77,523 | 19.2% | 95,499 | -3.2% |
| proprietary | 5,191 | 4,573 | 13.5% | 4,946 | 5.0% | 5,662 | -8.3% |
| dependent | 124,743 | 101,011 | 23.5% | 106,748 | 16.9% | 121,809 | 2.4% |
| independent | 80,132 | 60,267 | 33.0% | 69,872 | 14.7% | 85,246 | -6.0% |

Other Important Notes for the FY27 Monetary Award Program Cycle

Due to a tight state budget, FY27 MAP funding remained steady at \$721.6 million, which is nearly 80% higher than FY19. With eligible applicants up 17 percent, based on the point-in-time comparison, and FAFSA Simplification continuing to affect eligibility, this appropriation will be used to support the maximum number of students under the current formula parameters.

The increase in application volume is a positive development, reflecting a growing interest in higher education among Illinoisans. Nevertheless, MAP claims must be kept within the appropriation. To achieve this goal, staff continues to recommend that the 4% award reduction remain in the FY27 MAP formula. Additionally, award announcements have been suspended for applicants filing FAFSAs after April 23.

Some uncertainty was built into the suspense date decision to help avoid another painful mid-year award adjustment such as the reduction that was made in FY25 when an unprecedented jump in claim rates was experienced. If actual FY27 claims turn out lower than projections, some suspended awards will be released accordingly, following the first-term claim deadline in early December, as occurred in FY26. Staff will continue to monitor FY2027 MAP application volume and claims to maximize MAP award dollars for students without exceeding the appropriation.

Action Requested

Staff requests Commission approval of the methodology summarized in Table Three for the FY2027 MAP Recompute Formula. This is the same formula as FY27 MAP Start-up, approved at the September Commission meeting, which continues to include the 4% reduction to MAP awards.

Table Three: Recommended FY2027 MAP Recompute Formula

| | |
|---|--|
| <i>BUDGET = T&F + Living Allowance</i> | |
| 1 | Use 2021-2022 reported tuition and mandatory fees at all institutions, assessed at 100%. |
| 2 | Use one living allowance for all applicants, set to \$5,200. |
| <i>RESOURCES = 80% Pell Eligibility + Adjusted SAI (with self-help minimum)</i> | |
| 1 | Use 80% of 2021-22 eligibility, determined by the 2021-2022 Pell Grant Payment Schedule, with a \$6,495 maximum. |
| 2 | Calculate the ISAC-adjusted Student Aid Index (SAI) by inflating the SAI: <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 <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 |
| 3 | Use a minimum self-help expectation of \$1,800 for all students. |
| <i>AWARD based on lowest of Maximum Award, T&F in Budget, or Maximum Eligibility</i> | |
| 1 | Maximum Eligibility = Budget – Resources; if < \$300 applicant is not eligible for MAP. |
| 2 | Award is based on lowest of \$8,400 maximum award, tuition and mandatory fees specified in budget, or maximum eligibility. If based on maximum eligibility, round in \$150 increments to calculate partial awards. |
| 3 | Reduce awards by 4% (multiply by 0.96) |
| 4 | Applicants with a (Federal) SAI of \$9,000 or above are not eligible. |
| 5 | If determined necessary, either release some suspended applications and/or adjust awards to maximize claims without exceeding the appropriation. |
| 6 | Students with 135 or more MAP paid credit hours will not be eligible for MAP. |