AGENDA ITEM 5.

MONETARY AWARD PROGRAM (MAP) START-UP FORMULA

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FY2028 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 $721.6 million, and that up to two percent may be used for operational costs.

MAP eligibility determination begins with the Federal Student Aid Index (SAI), calculated from FAFSA and Alternative Application for Illinois Financial Aid data. After a few years of irregular federal release schedules caused by the implementation of FAFSA Simplification, the FAFSA for FY2027 was made available one week early on September 23, helping institutions stabilize planning for the 2026-27 cycle and restoring confidence in a consistent federal timeline. For the 2027-28 FAFSA cycle, as now required, the Department of Education will release the FAFSA no later than the regular October 1st date.

While approval of a FY2028 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 FY2027 MAP Recompute eligibility formula — including the 4% reduction factor — for beginning the FY2028 MAP cycle.

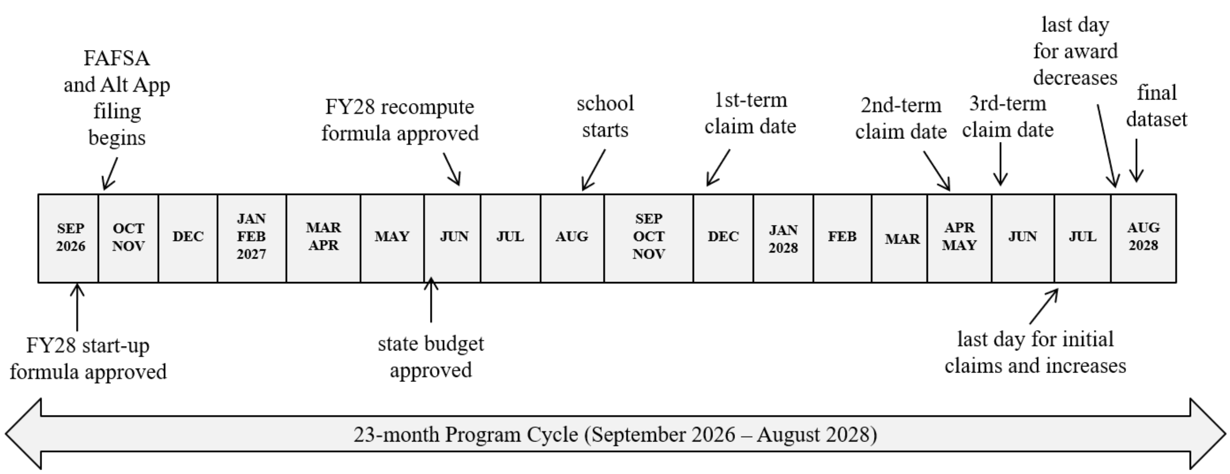
Action requested: Staff requests Commission approval of the MAP formula found in Table One, at the end of this item, as the FY2028 MAP Start-up Formula. This is the same as the FY2027 MAP Recompute Formula approved at the June 25, 2026, Commission meeting.

ILLINOIS STUDENT ASSISTANCE COMMISSION
FY2028 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 (Alt App) filing for academic year 2027-28 will begin October 1. 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 FY2028 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.

Formula Updates Improved MAP Purchasing Power in Recent Years, but that is Now Eroding

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% of Pell eligibility. The annual MAP award is the lowest of the eligibility amount, tuition and fees, or the MAP maximum award.

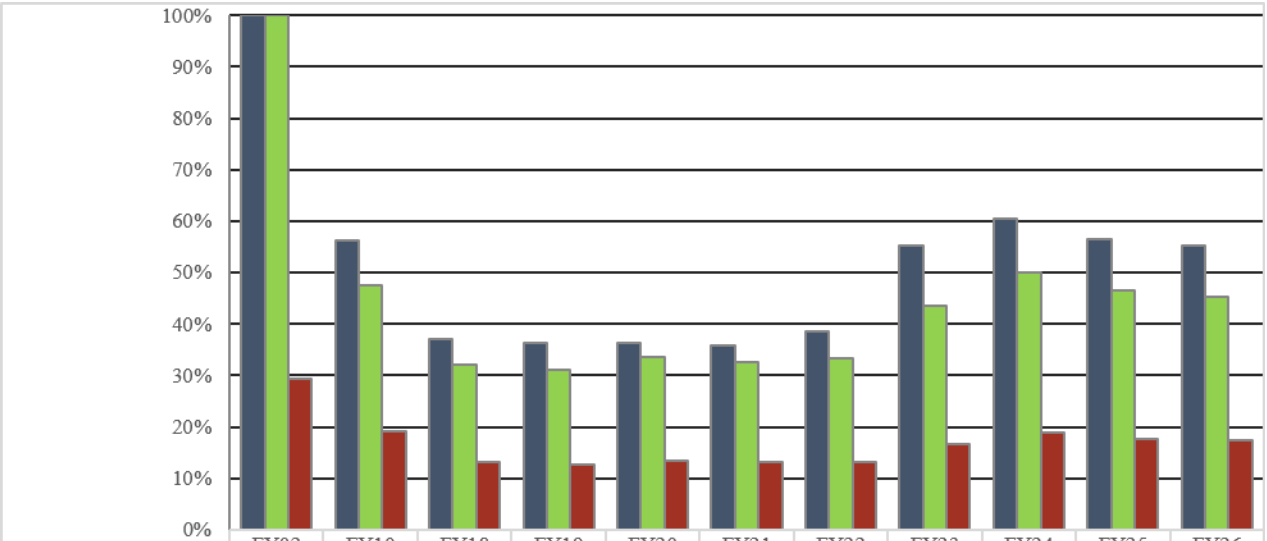
Prior to the MAP receiving a total of $222 million in FY2023 and FY2024, the formula had become outdated. Small advancements were made with increased funding in FY2018 through FY2022, but the focus was mostly on offering MAP to eligible students whose awards would have otherwise been suspended. The formula used FY2004 tuition and fees from FY2006 through FY2017 and a $4,968 maximum award from FY2002 through FY2019. From FY2011 through FY2019, 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 additional $10 million received in FY2025 and in FY2026 was reserved for eligibility increases due to FAFSA Simplification, rather than formula improvement. No additional funds were received in FY2027, maintaining flat funding for MAP. Figure Two shows the current formula.

Figure Two: The Current MAP Eligibility Formula

College Costs: FY22 T&F + $5,200 COLA	**minus**	**Resources:** ISAC-Adjusted SAI ($1,800 Self Help minimum) + 80% of FY2022 Federal Pell Grant	**equals**	**MAP Eligibility:** Award is least of Eligibility amount, T&F, and Maximum award $8,400 **Reduce Award by 4%** **(multiply by 0.96)**

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 mostly held steady. Formula improvements, made possible by a total $222 million of increases in FY2023 and FY2024, moved the bars noticeably upward, with coverage levels similar to FY2010. The goal of 50% 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 continued to decline since, as tuition and fees increased while the eligibility formula remained unchanged.

Figure Three: MAP Tuition and Fee Coverage



	FY02	FY10	FY18	FY19	FY20	FY21	FY22	FY23	FY24	FY25	FY26
Zero SAI at CC	100.0%	56.1%	37.1%	36.4%	36.4%	35.9%	38.6%	55.2%	60.5%	56.5%	55.2%
Public Universities	100.0%	47.6%	32.1%	31.2%	33.5%	32.7%	33.2%	43.7%	49.9%	46.5%	45.2%
Private Non-Profits	29.4%	19.1%	13.3%	12.8%	13.5%	13.2%	13.3%	16.8%	19.0%	17.7%	17.5%

MAP Application Volume is Increasing Again

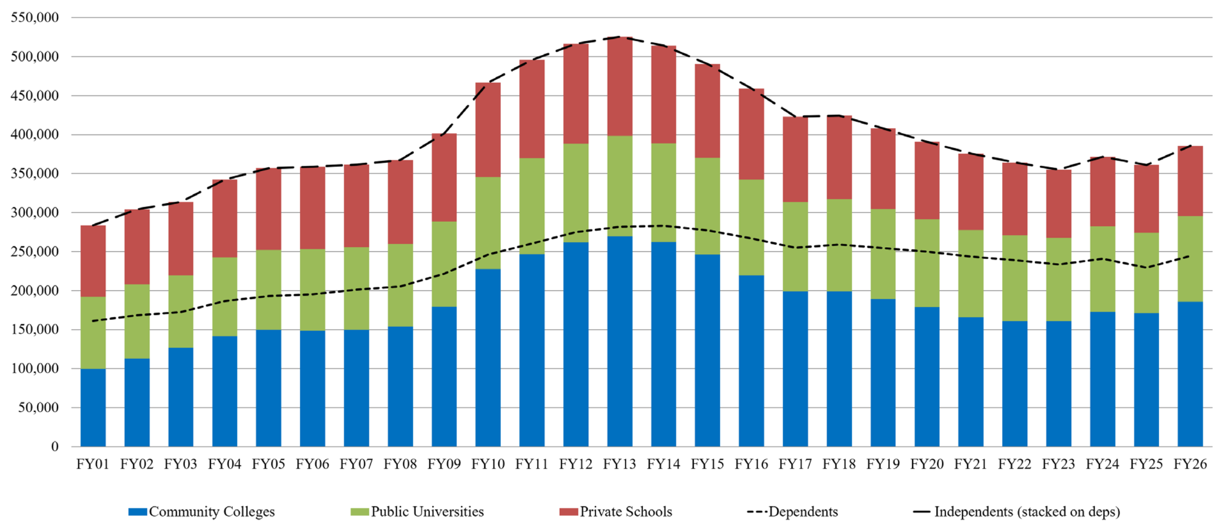
The balance between improving MAP purchasing power and providing basic access, by offering awards to all, or as many of eligible students as possible, depends partly upon demand for student aid. For a historical perspective, Figure Four shows announced applications by sector of first-choice school from FY2002 to FY2026. Announced applicants (undergraduate Illinois residents completing FAFSAs or Alt Apps and expressing interest in a MAP-approved school) increased more than 85% between FY2001 and FY2013, when application volume peaked. By FY2023, application volume was down 32% from the peak, but still 25% higher than FY2001.

After increasing by nearly 5% in FY2024, perhaps due to larger awards and improved tuition and fee coverage, the number of announced applicants dropped by 2.9% in FY2025 due to severe implementation issues with FAFSA Simplification. However, eligible applications still managed a modest 1.1% increase, driven by an updated federal eligibility formula provided by FAFSA Simplification.

In FY2026, application volume rebounded as processing issues resolved. Total and announced applicants increased by 6.8% compared to FY2025, and the number of eligible applicants increased by 6.7%.

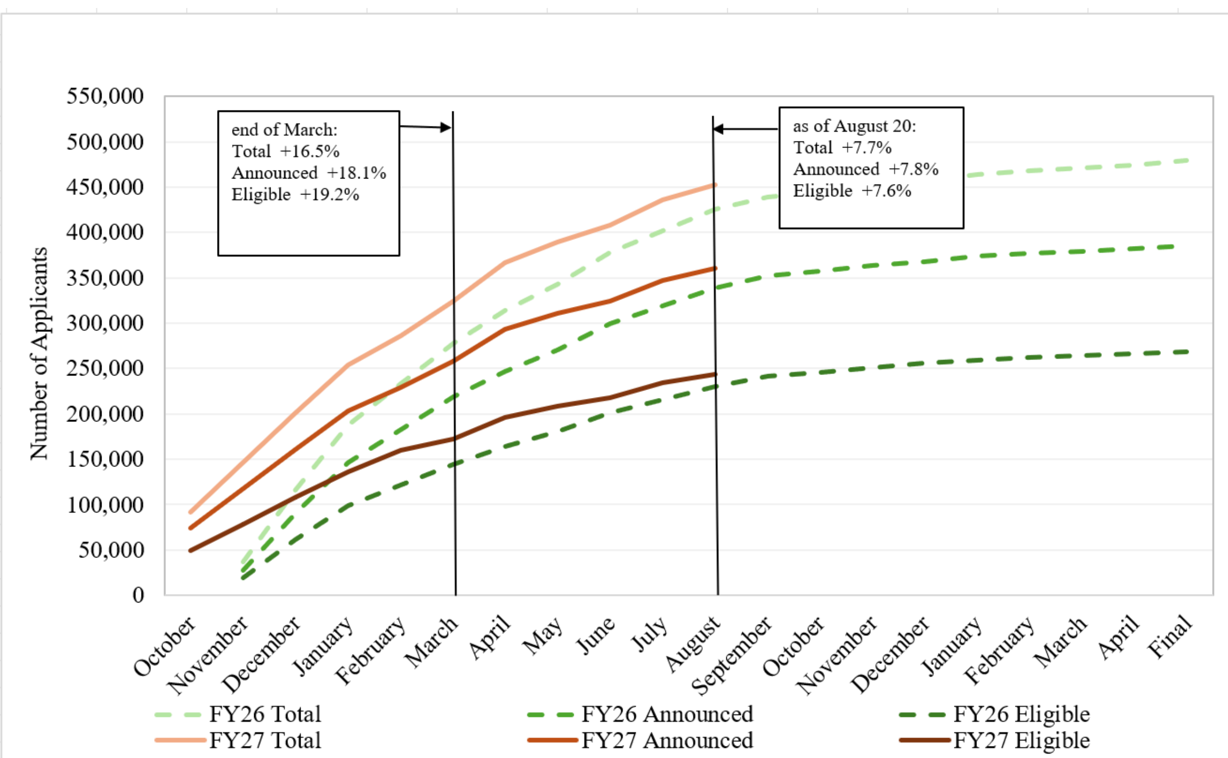
Community colleges saw the most significant growth in FY2026, with MAP-eligible applicants increasing by 9.6%. Hospital schools followed with an 8.7% increase, while public universities rebounded with a 5.1% gain. Private universities and proprietary schools saw smaller increases of 2.3% and 1.4%, respectively. By dependency status, eligible dependents experienced the largest gains, increasing by 7.9%, while independent eligible applicants grew by 5.4%.

Figure Four: MAP Announced Application Volume FY2002 through FY2026



As the FY2027 MAP program cycle progresses, data indicate application volume remains above FY2026 levels. By early August, the number of eligible applicants had increased by 7.9% compared to FY2026. Public universities and community colleges experienced the most significant growth, both surging by 10%. Hospital schools increased by 7.7%, proprietary schools by 3.5%, and private universities by 1%. By dependency status, dependent applicants increased by 8.8%, while independent applicants grew by 6.7% over FY2026. Figure Five below shows FY2027 application volume compared to FY2026.

Figure Five: FY2027 MAP Application Volume through August Compared to FY2026



At the FY2013 peak of application volume, awards for nearly 45% 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% by FY2021. In FY2022 and FY2023, MAP grants were offered to all eligible students for the first time since FY2001. However, in FY2024, the increased trend in application volume led to another suspension, affecting nearly 12% of eligible applicants.

In FY2025, FAFSA Simplification and higher claim projections led to an August 21 suspense date that left over 15% of eligible applicants suspended. However, a significant increase in fall enrollment combined with higher claim rates ultimately forced a 4% mid-year award reduction.

The continuing upward trend in application volume, combined with the assumption of high claim rates, resulted in a decision to extend the 4% award reduction in FY2026. During FY2026, mid-May analyses indicated that, despite retaining the 4 % reduction to avoid an earlier suspense date, the higher-than-projected application volume required suspense on June 5, 2025. However, the early December first-term claim deadline showed that claims were lower than projected —despite eligible applications being approximately 7% above FY2025—prompting limited releases of suspended applications, first through July 1 and later extended through July 30.

The 4% award reduction was again carried over into the FY2027 MAP Start-up Formula, given that the demand for MAP was expected to be even greater. With the assumption of similar claim rates as in FY2026, mid-March analyses suggested that an even earlier suspense date than June 5th was necessary to keep claims within the appropriation. Further analysis in April led to a decision to suspend FY27 MAP award announcements for applicants filing after April 23, 2026.

Looking ahead, current trends suggest that FY2028 application volume will likely remain strong, and we are cautiously optimistic for a smoother federal FAFSA cycle like we are seeing in FY2027. Maintaining the 4% reduction factor in FY2028 will be necessary to serve a similar number of students as in FY2027 assuming a level appropriation at this time.

Action requested: Staff requests Commission approval of the formula in Table One below as the FY2028 MAP Start-up Formula. This is the FY2027 MAP Recompute Formula, which uses FY2022 tuition and fee levels and Pell table; a $5,200 living allowance; an $8,400 maximum award, and a 4% reduction to MAP awards.

Table One: Recommended FY2028 Start-up Formula

BUDGET = T&F + Living Allowance	
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.
RESOURCES = 80% Pell Eligibility + Adjusted SAI (with self-help minimum)	
1	Use 80% of Pell Grant eligibility as determined by the 2021-2022 Pell Grant Payment Schedule, which contains 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 decimals 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.
AWARD based on lowest of Maximum Award, T&F in Budget, or Maximum Eligibility	
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
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.