



State of Wisconsin  
2023 - 2024 LEGISLATURE

LRB-1041/P1  
JAM:klm

DOA:.....Mott, BB0122 - Updating terminology used in calculation of student financial aid

**FOR 2023-2025 BUDGET -- NOT READY FOR INTRODUCTION**

**AN ACT ...; relating to:** the budget.

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*Analysis by the Legislative Reference Bureau*

**EDUCATION**

**HIGHER EDUCATION**

***Updating terminology used in calculation of student financial aid***

This bill changes the meaning of the phrase “expected family contribution” in higher education statutes.

Under current state and federal law, the phrase “expected family contribution” describes a metric used in determining the amount of financial aid a college student may receive. The federal FAFSA Simplification Act of 2019 changed the name of “expected family contribution” to “student aid index,” and accompanied the name change with a change in how the federal government calculates the metric. Similar to the “expected family contribution,” the student aid index will “reflect an evaluation of a student’s approximate financial resources to contribute toward the student’s postsecondary education for the academic year.” The terminology change is set to go into effect on July 1, 2024, and will apply starting with the 2024-25 financial aid award year.

This bill changes the definition of “expected family contribution” to incorporate the changes to the federal terminology once the FAFSA Simplification Act of 2019 is implemented.

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***The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:***

**SECTION 1.** 39.437 (3) (a) of the statutes is amended to read:

39.437 (3) (a) In this subsection, “expected family contribution” means the amount that a student and the student’s family are expected to contribute in an academic year to the cost of the student’s postsecondary education, as determined by use of the most recent federal Free Application for Federal Student Aid, as described in 20 USC 1090 (a), except that, upon implementation of the FAFSA Simplification Act, Pub. Law 116-260, section 702, as affected by the FAFSA Simplification Technical Corrections Act, Pub. Law 117-103, section 102, “expected family contribution” shall be determined consistently with requirements for determining the student aid index under 20 USC 472 to 477.

\*\*\*\*NOTE: All other instances of “expected family contribution” cross-ref to this definition, so this would be the only needed change.

It appears that the Consolidated Appropriations Act, 2022, amends the plan to transition the EFC to SAI by pushing everything back a year. See page 771 of <https://www.congress.gov/117/plaws/publ103/PLAW-117publ103.pdf>. That means that, as of now, the law is set to go into effect July 1, 2024, to apply for the first time to the 2024-2025 academic year. We can’t know if this date will be again pushed back another year. We can draft the language as you see above, or we could pause this request until the next budget cycle.

(END)