

United States Senate

February 6, 2024

VIA ELECTRONIC TRANSMISSION

Dr. Miguel Cardona
Secretary of Education
400 Maryland Avenue, SW
Washington, DC 20202

Dear Secretary Cardona,

We write to express continued concern with the impact the delayed Free Application for Federal Student Aid (FAFSA) rollout will have for students and families, in particular those from family farm and small business backgrounds. The *FAFSA Simplification Act* was signed into law on December 27, 2020, and yet the Department of Education (Ed) released an incomplete and confusing “soft launch” of the new form exactly three months delayed from the typical October 1 release date. In addition, Ed announced on January 30, Institutional Student Information Records (ISIRs) would not be sent to colleges and universities until early March. This creates an untenable timeline for students to review aid offers and compare their school options, with schools already pushing aid offers back to late April or early May.

With these delays in mind, we write today to share our concerns specifically in reference to Question 22—Student Assets, which requires each student report the net worth of their family’s businesses or for-profit agricultural operations.¹

This question fundamentally misunderstands how farm families operate, as the stream of revenue for crops and livestock varies significantly year-over-year, and assets cannot be cashed out to support a loan in the same capacity as traditional investments. As defined by Ed, these reported assets may include, “fair market value of land, buildings, livestock, unharvested crops, and machinery.” These assets can range well into the millions of dollars, with the price of a combine harvester alone often exceeding \$400,000.² This, in combination with projected declines in revenue for nearly every agricultural sector for 2023 harvest, indicates Ed lacked critical insight needed to develop this asset reporting requirement.³

An estimate from Iowa College Aid shows that under the previous Expected Family Contribution (EFC) formula, a family with a combined \$60,000 annual income and \$1 million in associated

¹ FAFSA Form July 1, 2024 – June 30, 2025, <https://studentaid.gov/sites/default/files/2024-25-fafsa.pdf>.

² *Combine Harvester Cost: Today’s Used Combine Prices*, AG SERVICE FINDER (March 17, 2020), <https://agservicefinder.com/combine-cost>.

³ *USDA Forecasts Sharpest Decline in U.S. Farm Income in History*, U.S. SENATE COMM. ON AGRIC, NUTRITION, AND FORESTRY (Sept. 7, 2023), <https://www.agriculture.senate.gov/newsroom/minority-blog/usda-forecasts-sharpest-decline-in-us-farm-income-in-history>.

farming assets would be expected to contribute \$7,626 annually towards their child's tuition. Under the new formula, the Student Aid Index (SAI), that number will balloon to a \$41,056 contribution.⁴

We reiterate our concern with the nature of this question, and the lack of insight on how the adjusted formula will impact students from agriculture backgrounds. With this in mind, Ed has a responsibility to provide these families with significant transparency into how this requirement will impact student aid estimates, in a manner far more comprehensive than the Dear Colleague letter released on August 4, 2023.⁵

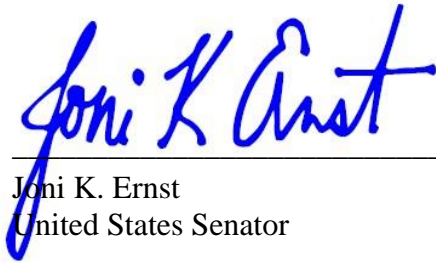
We request a response to the following questions within one week of receipt in order to meet fast-approaching aid deadlines and provide families with a sense of transparency into the development of this requirement:

1. Who did Ed consult with from farming communities throughout the United States to understand how this requirement would impact families? Please provide the individuals':
 - a. Region/State
 - b. Agricultural Background i.e., livestock, dairy, crops
 - c. Extent of participation in day-to-day farming operations
2. How should families reasonably calculate the value of their family farm holdings i.e., recent appraisals, commensurate value?
 - a. Given that Ed has not provided guidance on a number of important questions involving farm assets⁶, how does the Department plan to provide flexibility when families answer unsettled questions?
 - b. Because a farm family's calculation of assets based on "the best of [their] knowledge" may be different from the value that Ed calculates, how will the Department ensure that students are not punished by the verification process?
3. In detail, how does Ed plan to conduct an in-depth impact analysis of data throughout the 2024-2025 application process to understand the year-over-year impact of transitioning from the EFC formula to SAI formula?
 - a. How many students will see a decline in aid estimates?
 - b. How many families who are now forced to leverage farm assets, are vulnerable to potential default on loans due to inaccurate income estimates?

⁴ Iowa College Aid Report, *The FAFSA Simplification Act: Policy Simulations and Implications for State Aid Programs*, (December, 2022).

⁵ Annmarie Weisman, *U.S. Dep't of Ed. Dear Colleague Letter, FAFSA Simplification Act Changes for Implementation in 2024-25*, (Aug. 4, 2023), <https://fsapartners.ed.gov/knowledge-center/library/dear-colleague-letters/2023-08-04/fafsa-simplification-act-changes-implementation-2024-25>.

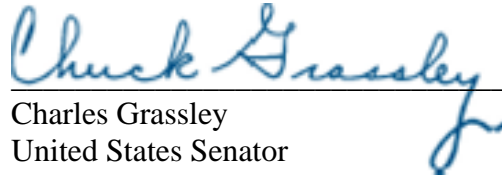
⁶ Letter to Secretary Cardona from Grassley, Ernst, Baldwin, and Bennet (Letter on File dated March 9, 2023).



Joni K. Ernst
United States Senator



Jon Tester
United States Senator



Charles Grassley
United States Senator



Pete Ricketts
United States Senator



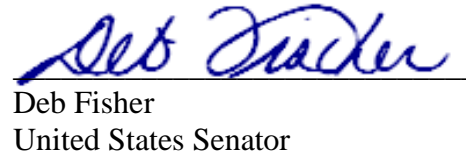
Thom Tillis
United States Senator



James Risch
United States Senator



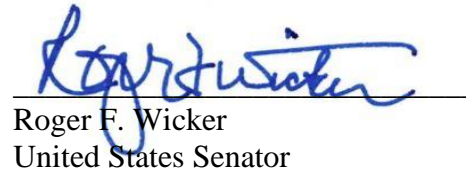
Cindy Hyde-Smith
United States Senator



Deb Fisher
United States Senator



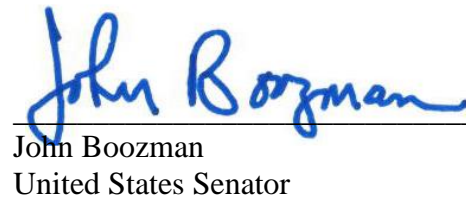
Roger Marshall, M.D.
United States Senator



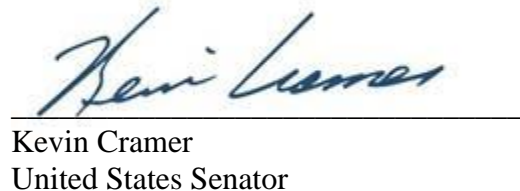
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United States Senator



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