Does your family meet financial requirements to receive the 21st Century Scholarship in college?

**BACKGROUND**

Students who enrolled in the 21st Century Scholars Program on July 1, 2011, or later, must complete a financial means test each year they are in college to determine how much state aid they are eligible to receive. This policy first impacted Scholars beginning with students who graduated in 2016.

Originally, the state determined eligibility by evaluating the Expected Family Contribution (EFC) each year from the FAFSA to determine financial need, eligibility and aid amount. A family’s taxable and untaxed income, assets and benefits can all be considered in the Expected Family Contribution. The EFC limit reflected the maximum annual cost of attending Indiana’s public colleges.

**WHAT’S CHANGED?**

Due to the complexity of calculating EFC, understanding the financial means test can be difficult. Also, Scholars must wait until they file the FAFSA during senior year to see if they will still receive the scholarship. Because of these concerns, beginning with the graduating class of 2020, the financial means test will be based on the household annual income.

To qualify for the scholarship, Scholars must be a member of a household with an annual income equal to or below 370% of the Federal Poverty Level (FPL). This is equal to double the amount to qualify for the Federal Reduced Lunch Program and initially enroll in the 21st Century Scholars program. This change will allow 21st Century Scholar families to know well in advance whether their income will exceed the maximum income limit.

Also, any student with a household income in excess of 370% of the Federal Poverty Level will still qualify if the student meets one of the following exceptions:

- The student qualifies for the federal Pell Grant;
- The student enrolled in the 21st Century Scholars program in the 7th or 8th grade as a result of the student being placed in a legal guardianship;
- The student enrolled in the 21st Century Scholars program as a result of the student being placed in foster care.

The Commission will use the guidelines of the year that corresponds to the FAFSA to set the limit. For example, the 2021-2022 FAFSA will use 2019 income information. Therefore, the 2019 income will determine if a Scholar is eligible. Scholars will not need to submit additional income information. The Commission will use the income reported on the Scholar’s FAFSA.

Additionally, the family size reported on the FAFSA will be used to determine which FPL bracket applies to the Scholar. The table above lists the maximum income by family size for 2021 graduates.

**WHAT DO SCHOLARS NEED TO DO?**

Every Scholar must complete the FAFSA each year to receive financial aid, so Scholars will not need to submit any additional income information. The Commission will use the income reported on the Scholar’s FAFSA to determine eligibility.

**WILL THIS AFFECT HOW MUCH MONEY SCHOLARS RECEIVE FOR COLLEGE?**

The 21st Century Scholars program was designed to help Indiana’s low-income students pay for college. Scholars who demonstrate financial need each year will remain eligible for the scholarship. Scholars who do not demonstrate financial need may receive a one-time award of up to $2,500.

Just remember that financial need isn’t the only requirement to keep the scholarship. Visit www.Scholars.IN.gov to view academic and other requirements.

Stay on track at Scholars.IN.gov

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