

SECTION I OVERVIEW

THE OPPORTUNITY

The Michigan Department of Lifelong Education, Advancement, and Potential (MiLEAP) is excited to offer Universal FAFSA Challenge awards to support districts in adopting a local universal FAFSA policy and implementing FAFSA completion support in their high schools and local communities.

MiLEAP recognizes how critical it is for prospective college students to complete the [Free Application for Federal Student Aid](#), or FAFSA form. The FAFSA is needed to access federal scholarships and loans and is required for students to receive up to \$27,500 through the [Michigan Achievement Scholarship](#)—including a pathway to earn a skill certificate or associate degree tuition-free at their local community college through the [Community College Guarantee](#).

In the 2024-25 school year, over 56 percent of high school seniors completed the FAFSA. We can do better!

A dozen states across the country have adopted universal FAFSA completion policies with supports for students, families, and high schools. These policies require students to complete the FAFSA before high school graduation (while allowing for student exemptions in some circumstances). We're seeing early evidence this strategy is working. Early adopters have seen increases in FAFSA completion, high school graduation, and college going. Learn more about other states' policies from the [National College Attainment Network](#).

BACKGROUND

Postsecondary education and training play an essential role in upskilling Michiganders to build a globally competitive economy. Recognizing this, the State set a postsecondary attainment goal of having sixty percent of working-age Michiganders with a postsecondary credential by 2030. Data indicates that a senior who completes the FAFSA is 84% more likely to enroll in postsecondary education, and 90% of high school seniors who complete the FAFSA immediately enroll in postsecondary education programs. The State of Michigan is providing financial incentives to support schools as they prioritize FAFSA completion. Now, more than ever, it is critical that schools and districts create FAFSA completion goals and monitor them regularly, build shared ownership, establish partnerships, and spread awareness. Historically, postsecondary students are most likely to cite financial issues as the key reason for dropping out. Therefore, MiLEAP is offering a funding opportunity to Michigan public local school districts or a public school academy, or community district who will require all students to complete the Free Application for Federal Student Aid (FAFSA) to graduate from high school, except for reasons that exempt a student from completing the FAFSA.

PURPOSE

The purpose of the Universal FAFSA Challenge is to encourage districts to adopt a universal FAFSA policy. Districts that receive funds must update their graduation requirements to require all seniors to either complete the FAFSA or complete a waiver confirming a reason that exempts a student from completing the FAFSA. FAFSA Challenge funds will be awarded by January 30, 2026.

SECTION II CRITERIA AND APPLICATION PROCESS

WHO IS ELIGIBLE TO APPLY?

The Universal FAFSA Challenge is available to local educational agencies in Michigan including:

- Local school districts (including community districts)
- Public school academies

*Districts who received this award during Academic Year 2024-25 are not eligible for the Academic Year 2025-26 award

WHAT IS INCLUDED ON THE APPLICATION?

To receive an award, districts must submit an application to MiLEAP **certifying the district will:**

1. Require all students to complete the FAFSA to graduate from high school, except for the reasons provided in the Student Exemption section.
2. Use funds received through the Universal FAFSA Challenge for participation in and implementation of activities that are known to drive FAFSA completion. Qualifying activities are provided in the FAFSA Completion Strategies section.

HOW DO YOU SUBMIT AN APPLICATION?

- Save your application as a PDF, with a filename that includes your district's name.
- Applicants should submit all elements of the application within that single PDF file.
- Submit your application, by 5:00 p.m. (EST) on December 1, 2025, by email to MiLEAP-UniversalFAFSA@michigan.gov. (This deadline is set by the Legislature.)

Applications received after the deadline will not be accepted.

The application must be signed physically or electronically by the superintendent.

Qualifying districts will be required to submit a Budget Narrative to MiLEAP by January 16, 2026, after notice of award and before distribution of funds.

WHICH STUDENTS ARE EXEMPT FROM COMPLETING THE FAFSA?

A school administrator of the student's high school must demonstrate to the district board that good-faith efforts have been made to assist the student or the student's parent/legal guardian in completing the FAFSA or obtaining a parental waiver.

A district shall exempt a student from the requirement to complete the FAFSA if any of the following are met:

1. The student's parent or legal guardian, or the student if the student is 18 years of age or older, is an emancipated minor, or is an unaccompanied youth, has submitted a parental waiver (obtained by a standard form provided by MiLEAP) to the district exempting the student from completing the FAFSA.
2. The student is unable to complete the FAFSA because of privacy concerns.
3. All of the following are met:
 - a) After a good-faith effort, the student's parent or legal guardian refuses to sign the parental waiver, is unresponsive, or cannot sign the parental waiver.
 - b) The student is unable to complete the FAFSA as an independent student.

- c) The student agrees to opt out of completing the FAFSA.
- d) Other than the requirements of the universal FAFSA policy the student is on track to graduate.

SECTION III AWARD AMOUNT, ELIGIBLE EXPENSES, AND REPORTING

HOW IS THE AWARD AMOUNT DETERMINED?

Awards will be calculated based on the total number of 12th grade students at qualifying districts. Each qualifying district will receive an equal amount per 12th grade student (as provided and verified by the Center for Educational Performance and Information 2024-25 12th grade enrollment data). After districts apply for funds, MiLEAP will calculate awards for each qualifying applicant and share award totals no later than December 12, 2025.

Note: In previous years, the per pupil award was capped. This year, there is not a cap. Award amounts per student will depend on the total 12th grade enrollment at qualifying districts.

HOW ARE THE FUNDS ISSUED TO THE DISTRICT?

The Legislature has appropriated \$10 million for the Universal FAFSA Challenge. Qualifying districts will receive their share of this appropriation no later than January 30, 2026, via the State of Michigan SIGMA accounting system. The following information will be included in the SIGMA transaction:

- Funding Source: 67f
- Grant Code: 283
- Check Description: MiLEAP Universal FAFSA Challenge Award
- Invoice Number: 01-75 (unique number assigned to district)

HOW DO I ACCOUNT FOR THIS AWARD?

- Revenue: Major Class 312
- Suffix 0000
- Expenditures: Grant Code 283

WHAT ARE THE APPROVED ELIGIBLE EXPENSES?

- Staff Time – Includes a portion of wages and benefits for staff administering or delivering the program; can include full wages and benefits for new staff hired to fulfill the terms of this award
- Professional Development – Includes material, training and travel expenses
- Guest Speakers/Seminars – Includes speaker cost, travel reimbursements, meeting space, materials, hosting or traveling to college fairs
- Student Opportunities – Includes costs for transportation food, lodging to visit college campuses, field trips on career exploration, and summer programming.
- FAFSA Incentives – Includes costs to promote and recognize FAFSA completion
- FAFSA Convening and Event Planning – Includes the cost of meeting space, catering for events, AV, or travel reimbursements to events, etc.
- Materials and Supplies – Includes expendable office materials and supplies supporting the project that would not fit into the convening category

- IT or Communications Resources – Includes services such as computer services/web support, phone/fax/postage, and printing
- Administrative Costs – Other costs that the district believes are critical to program delivery; please provide detailed reasoning. Administrative costs may not exceed 10% of the total award.

BUDGET FREQUENTLY ASKED QUESTIONS

- ***Are the funds non-restricted?***
 - Funds appropriated via [Sec. 67f of Public Act 120 of 2024](#) are School Aid dollars that must be spent on expenses the district certifies will be used for participation in and implementation of activities that are known to drive FAFSA completion. Approved eligible expenses are outlined above.
- ***Is funding awarded in a lump sum or on a reimbursement basis?***
 - Funds will be provided as a lump sum payment.
- ***Can the district set up an internal account to draw the funds?***
 - Payments will be issued to districts via a standard method through the State of Michigan SIGMA accounting system. The district will be responsible for managing the funds at the local level appropriate to the district's accounting processes.
- ***Will there be a match requirement?***
 - No. There is no match requirement.
- ***Why is a Budget Narrative required if expenses do not need to be approved?***
 - The district must certify they will use the funds received for participation in and implementation of activities that are known to drive FAFSA completion, as determined by MiLEAP in collaboration with the Michigan College Access Network. More information about effective activities is available at Michigan.gov/MiLEAP.

DOES A DISTRICT HAVE TO HAVE A UNIVERSAL FAFSA POLICY IN PLACE TO APPLY? IF NOT, WHEN DOES A POLICY NEED TO BE ADOPTED?

Districts must submit evidence that a universal FAFSA policy has been adopted no later than June 30, 2026. Typically, graduation requirements are outlined in a district's board policy. If a district's graduation requirements are outlined in board policy, the board policy must be updated. If a district's graduation requirements are not included in board policy, MiLEAP will work with the district to identify what policy changes are necessary to comply.

WHAT IS THE REQUIRED REPORTING?

Upon completion of the 2025-26 academic year and no later than September 30, 2025, districts must:

- Provide a written report to MiLEAP on the following:
 - Summary of effectiveness of interventions and support to students
 - Summary of lessons learned
 - Total Number of Pupils Exempt from completing the FAFSA
 - Total Number of Parental Waivers collected by district
- Financial reporting will be required on a quarterly basis
- Participate in a 1-hour virtual meeting with MiLEAP staff to share their experience implementing universal FAFSA and the effectiveness of various interventions and supports.
- Districts will also be invited throughout the year to participate in optional technical assistance webinars to learn about effective FAFSA outreach strategies and share their experience implementing this policy.

WHAT IS THE RECORD RETENTION POLICY?

The State or its designee may audit recipients to verify compliance with this award. Recipients must retain and provide to the State or its designee upon request, all financial and accounting records related to the award through the term of the award and for 7 years after the latter of termination, expiration, or final payment under this award or any extension ("Audit Period"). If an audit, litigation,

or other action involving the records is initiated before the end of the Audit Period, recipient must retain the records until all issues are resolved. Within 10 calendar days of providing notice, the State and its authorized representatives or designees have the right to enter and inspect the recipient's premises or any other places where award activities are being performed, and examine, copy, and audit all records related to this award. Recipients must cooperate and provide reasonable assistance. If any financial errors are revealed, the amount in error must be reflected as a credit or debit on subsequent invoices until the amount is paid or refunded.

WHAT HAPPENS IF A DISTRICT DOES NOT ADOPT A UNIVERSAL FAFSA POLICY?

If the district has not adopted a policy by the deadline, the district must meet with MiLEAP to identify what support is needed to adopt a policy. If a policy is not adopted by the end of the fiscal year, the full award must be returned.

SECTION IV EVALUATION CRITERIA

WHAT IS THE EVALUATION CRITERIA?

All qualifying districts will be funded. To be a qualifying district, applications will be evaluated based on the following criteria:

(1) District must submit an application to MiLEAP certifying the district will:

1. Require all students to complete the FAFSA to graduate from high school, except for the reasons provided in the Student Exemption section.
2. Use funds received through the Universal FAFSA Challenge for participation in and implementation of activities that are known to drive FAFSA completion. More information about effective activities is available at Michigan.gov/MiLEAP.

(2) District must submit a Budget Narrative to MiLEAP after notice of award and before distribution of funds. The Budget Narrative will list all approved eligible expenses and a timeline of when your district will adopt a Universal FAFSA policy.

(3) Applications will also be screened for technical compliance to include but not limited to:

- Timely submission of the application.
- Timely submission of the Budget Narrative and clear spending on eligible expenses.
- Application signed physically or electronically by a district official authorized to bind the district to its provisions.