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FAFSA Simplification: What We Know

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What We Know Right Now..

The 2024-25 FAFSA
will become
available in
December 2023

The FAFSA *will open*
on October 1 for the
2025-26 award year

A draft copy of the
2024-25 FAFSA was
released and opened
for public comment

NEW! A FAFSA Simplification Webpage



- ISAC has developed a new page to help professionals know the top changes coming to the 2024-25 FAFSA
- Includes FAQ section to help you discuss information with students and families

Frequently Asked Questions (FAQ) – As of 9/26/2023

Click on the plus (+) sign next to each question to view the answer.

+ Q1: When will the 2024-25 FAFSA become available?

+ Q2: What is the Student Aid Index (SAI)?

+ Q3: What is a Federal Student Aid (FSA) ID?

+ Q4: Who needs an FSA ID?

+ Q5: Who is considered a parent, for purposes of the FAFSA? Who is reported on the FAFSA?

+ Q6: How many questions will be on the 2024-25 FAFSA?

+ Q7: My family owns a business or an investment farm. Do I need to report it on the FAFSA?

+ Q8: Can I still use the IRS Data Retrieval Tool to import my tax information from the Internal Revenue Service (IRS) to the FAFSA?

+ Q9: How do I know if I am eligible for a Pell grant?

Agenda

- Background
- Federal Student Aid (FSA) ID
- Student Aid Index (SAI)
- Reporting Parental and Financial Information
- Changes for Independent Students
- Resources



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Background

FAFSA Simplification Act

Goal is to make applying for aid easier and more streamlined

Full implementation goes into effect for the **2024-25 award year**

Reduces the number of questions a student and family will answer

The Student Aid Index (SAI) will replace the Expected Family Contribution (EFC)

Amends the Federal Pell Grant program

Hello New Terminology!

- All the changes to the FAFSA means there is new terminology to learn
 - Household size = Family Size
 - Expected Family Contribution (EFC) = Student Aid Index (SAI)
 - The Student Aid Report (SAR) = The FAFSA Submission Summary
 - A person reporting information on the FAFSA = Contributor
 - Estimated Financial Assistance (EFA) = Other Financial Assistance (OFA)

FAFSA Changes

- Students are required to answer questions about race and ethnicity – these answers ***are not shared*** with the colleges
- Students and parents will access the FAFSA with their own FSA ID
- A parent wizard tool has been developed to help determine which parent(s) will be reported on the FAFSA
- Students will be able to list up to 20 colleges online
 - List 10 colleges on the paper FAFSA

Technical Updates

The save key feature *has been removed*

The FAFSA *will be available* in the 11 most common languages

The IRS Data Retrieval Tool *has been removed*

The Department of Education is *now required* to develop tools for early awareness for Pell Grant eligibility



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The Roles of Contributors & FSA IDs

Who is a contributor?

Anyone who is required to provide:

- A signature on the FAFSA, and
- Consent + approval to have their Federal Tax Information transferred directly from the IRS

A contributor is:

- A student
- A student's spouse, if applicable
- A student's parent or parent's spouse

A contributor is not:

- Non-adoptive grandparents, foster parents, legal guardians, aunts or uncles, and brothers or sisters, even if they helped provide for the student

The Roles of Student & Parents

The student is the **main contributor** - Their answers on the FAFSA will determine if any additional contributors will be required

Each student **will invite a contributor** to complete their section of the form

Students **will submit** the contributor's name, email, date of birth (DOB), and social security number (SSN) – this must match the FSA ID

If a contributor (e.g., parent) does not have an SSN, **they will be asked to provide their mailing address**

Dependent students **will not** see a submit button until the parent section is complete

Steps for Contributors

Step 1

- Contributor receives email saying they've been identified as a contributor

Step 2

- Contributor creates FSA ID, if they don't already have one

Step 3

- Contributor logs in using their FSA ID

Step 4

- Contributor reviews information about completing their section of the FAFSA

Step 5

- Contributor provides the required information, provides consent + approval, and signs the student's FAFSA

Note: Being a contributor (e.g., parent) does not indicate financial responsibility

Invitation for Parent Contributors



Parent

First Name

Last Name

Date of Birth

<i>Month</i>	<i>Day</i>	<i>Year</i>
<input type="text"/>	<input type="text"/>	<input type="text"/>

Social Security Number (SSN)

 Hide

My parent doesn't have an SSN.

Address

City

State

Zip Code

Country

Email Address

Confirm Email Address

Send Invite

Example of the Email Contributor Receives

- A contributor will see one of two emails:
 - If a contributor has an FSA ID, they will see the option to log in
 - If a contributor does not have an FSA ID, they will see the option to create one

Alcina,

Raya T can't be eligible for federal student aid without your input. Help them complete the Free Application for Federal Student Aid (FAFSA®) form.

Providing information as a contributor does not make you financially responsible for Raya's education costs. Completing the FAFSA form is how they qualify for student aid including

- Federal Pell Grants,
- federal student loans,
- state financial aid, and
- school financial aid.

Log in with your FSA ID (account username and password) to complete your section.

Note: Forms are deleted after 45 days of inactivity.

Don't recognize Raya? Read [What To Do if You Got an Invite and Don't Recognize the Sender](#).

Log In

Example of Parent Contributor Invitation

Raya Tran Wants Your Help on a FAFSA® Form

Raya Tran has identified you as a parent on their *Free Application for Federal Student Aid* (FAFSA®) form.

Parents are required to provide their financial and demographic information on the student's FAFSA form. This does not make you financially responsible for Raya's educational costs or any federal student loans they decide to accept.

Visit the [2024-25 FAFSA Help Center](#)

Accept Invitation

Decline Invitation



By accepting this invitation, you agree to share your personal and contact information from your StudentAid.gov account on the student's FAFSA form. Once you accept, your information will be linked to this form.

Everyone Needs an FSA ID – Yes, Everyone!



- Each contributor (e.g., student and parent) will each need their own FSA ID to complete their sections
- For parents who are married but file separately, **both** parents will need an FSA ID
- For parent(s) who does not have an SSN, they will now be able to create an FSA ID
 - Parent(s) will answer a series of identity-based questions
 - The process will be available when the FAFSA becomes available

Everyone Needs an FSA ID – Yes, Everyone! (continued)



- An FSA ID needs to be created before the FAFSA is started
- For those without SSNs, they will be able to create and use the FSA ID on the same day
- If students and parents create an FSA ID, the same day:
 - SAI will not be calculated
 - No Pell Grant estimate will be shown
 - FSA ID processing should take 1-3 days



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Student Aid Index (SAI)

EFC to Student Aid Index (SAI)

EFC will be changed
to SAI

- “An index that reflects the evaluation of a student’s approximate financial resources” that can be contributed to their education rather than an amount the family is reasonably expected to contribute

Can be a negative
number and as low
as \$-1500

- Individuals not required to file taxes, both dependent and independent students, will automatically receive a negative SAI of \$-1500

The SAI:

- May contribute to a student’s Pell grant eligibility, but **it is not the sole factor**
- Will calculate eligibility for other FSA programs

Pell Grant Calculation

- A student's family size, financial information, and the federal poverty guidelines will be used
- Students are considered for a Pell Grant in this order:
 1. Maximum Pell Grant
 2. Calculated Pell (Max Pell minus SAI)
 3. Minimum Pell Grant
- If a student does not receive a Pell Grant amount from the calculation, they will not be eligible for a Pell Grant



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Reporting Parental and Financial Information

Parental Information

- Who is a parent for purposes of financial aid has not changed
 - Adoptive parents
 - Biological parents
 - Step-parents if married to a biological or adoptive parent
- If both parents (biological or adoptive) are unmarried but living together, report information for both parents
- For parents who are divorced or separated, a student will report the parent ***who provides the most financial support within the last 12 months***
 - If the financial support is equal, then report the parent with greater income and assets

NEW! Parent Wizard Tool


- Designed to help students determine which parent(s) to report on the FAFSA
- The tool will ask the student a series of questions to help them determine which parent to report on the FAFSA

Tell Us About Your Parents

On the FAFSA® form, your “Parent” is your legal (biological or adoptive) parent or stepparent who supports you financially.

Are your parents married to each other?

Yes No

 **You will need to provide information for your parents**
Based on your answers in this section, you'll need to provide information about both of your parents on your FAFSA form. You can invite your parents to your form so they can complete their required sections.

NEW! Parent Wizard Tool (continued)

- If a student selects no, their parents are not married, students will see series of questions asking about their parent's situation

Are the parents married to each other?

Yes

No

Do the parents live together?

Yes

No

Did one parent provide more financial support than the other parent over the past 12 months?

If both parents provided an exact equal amount of financial support or if they don't support the student financially, select "No," and refer to the parent with the greater income or assets in the next question.

Yes

No

NEW! Parent Wizard Tool (continued)

- The tool will tell the student who to report on their FAFSA
- If a student answers yes to the question about financial support, the student will see the question about if that parent is remarried

Did one parent provide more financial support than the other parent over the past 12 months?

If both parents provided an exact equal amount of financial support or if they don't support the student financially, select "No," and refer to the parent with the greater income or assets in the next question.

Yes No

Has the parent you identified in the previous question remarried?

Remember, this applies to the parent with the greater income and assets.

Yes No



Provide Information for This Parent Only

Based on your answers in the previous section, you'll need to provide information about only this parent on the FAFSA[®] form. You can invite this parent to the form and have them complete their required sections.

Reporting Tax Information

- Through the Direct Data Exchange, everyone will be required to provide consent for their tax information to be shared by the IRS with FSA, including non-tax filers
 - **Non-tax filers:** the IRS will report no tax return is on file
 - **Each parent must provide consent if:**
 - Filed married filing-separately
 - Unmarried but living together
- If no consent is provided:
 - A student's SAI will not be calculated
 - A student will be ineligible for federal financial aid

Reporting Investment Information

Investment questions will not be asked for:

1. Those who make less than \$60,000 a year
 - Parent(s) of dependent students
 - Independent students
2. Anyone in the household who has received means-tested federal benefit programs within the previous 24 months
3. A student with a negative SAI

If required to report investments:

- The net worth of any business and/or family farm
 - Exclude the home in which the student/family live in
- Child support received for the most recent calendar year

What about verification?

- Federal Student Aid (FSA) released the information being verified for the 2024-25
- FSA shared there are no changes to verification documents or what is considered acceptable documentation
- For contributors who have their tax information reported from the IRS, are not required to have their information verified by schools
- For contributors who manually enter their tax information, they will be able to request copies of their tax return transcripts to submit to schools



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Changes for Independent Students

Professional Judgment Policies

- There are two categories of professional judgment
 - **Special Circumstances:** adjusting data elements in the COA or in the FAFSA that can impact the SAI calculation
 - **Unusual Circumstances:** adjusting a student's dependency status based on a unique situation
- Schools cannot maintain a policy of denying all professional judgment requests
- Schools are required to have a list of adequate documentation that can be used for making the request

What's the difference?

Unusual Circumstances

- Victim of human trafficking
- Legally granted refugee or asylum status
- Parental abandonment or estrangement
- Student or parental incarceration

Special Circumstances

- Loss of employment or financial assets
- Reduction in income
- Tuition expenses at an elementary or secondary school
- Unusual medical or dental expenses not covered by insurance

***NEW!* Provisionally Independent Student**



- Designation for students who believe they may qualify as an independent student based on an unusual circumstance
- These students will:
 - Be able to submit the FAFSA
 - Receive an estimate SAI and Pell Grant
- A school's financial aid office will make the final determination based on documentation submitted
- These students will not be required to answer to answer information about their parent(s)

Determinations for Unaccompanied and Homeless Youth

- The list of people who can provide a determination has been expanded
- The following sources are:
 - Homeless District Liaison
 - Financial aid office from a different school that for the same or prior award year
 - Director or designee of a:
 - Transitional or emergency shelter
 - Street outreach program
 - Homeless youth drop-in center
 - Program serving individuals experiencing homelessness
 - Program supported by federal TRIO or GEAR UP grant

What can higher education institutions now do?

- Schools can accept documentation of independent student status from another financial aid administrator at a different institution
- Students who are deemed independent for financial aid purposes, can be considered independent for the subsequent award year(s) – the student no longer must submit documentation every year to meet the criteria



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Thank you!

Contact us at
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