

2023



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The FAFSA: Rolling with the Changes

Tommy Semanic | Meghan Chrum

Professional Development Specialists

Illinois Student Assistance Commission (ISAC)

isac.outreachtraining@illinois.gov

What We Know So Far...

- The 2024-25 FAFSA **will open in December 2023**
- The FAFSA will open on October 1 for the 2025-26 award year
- The Department of Education (ED) announced a roadmap of an implementation timeline for resources, guidance, and training materials for all partners
- ED has conducted webinars throughout the summer for all college-access professionals to learn about the changes
- A draft copy of the 2024-25 FAFSA has been released

Agenda

1. Background
2. Federal Student Aid (FSA) ID
3. Student Aid Index (SAI)
4. Reporting Parental and Financial Information
5. Changes for Institutions
6. Resources

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BACKGROUND

The FAFSA Simplification Act

Goal is to make applying for aid easier and more streamlined

Full implementation goes into effect for the **2024-2025** 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

The FAFSA Changes

- ED has taken a phased approach to implementing changes – this started in the 2021-22 award year
 - Drug convictions and Selective Service were removed from the FAFSA and no longer impact aid eligibility
- Household size will be referred as family size
- Family size and financial information reported on the FAFSA will go through two calculations
 - EFC/SAI
 - Pell Grant

The FAFSA Changes (continued)

- Students will be able to list up to 20 colleges online
 - List 10 colleges on the paper FAFSA
- Students will answer questions about race and ethnicity
- Expanded means-tested federal benefit programs to include:
 - Earned Income Tax Credit (EITC)
 - Federal Housing Assistance, and
 - Refundable Credit for Coverage Under a Qualified Health Plan (QHP)

Technical Updates

The Student Aid Report (SAR) is *being renamed* to FAFSA Submission Summary

The save key feature *has been removed*

The FAFSA will be available in the 11 most common languages and updated every four years

The IRS Data Retrieval Tool *has been removed* due to now directly transferring tax information from the Internal Revenue Service (IRS)


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

The Roles of Student & Parents


Each person entering information on the FAFSA is now considered a contributor – the student being the main contributor




Each student will invite someone else to contribute to the form, if applicable (e.g., parent)



Students will submit the contributors name, email, date of birth, and social security number (SSN)



Students can only complete the student section; Parent(s) can only complete the parent section



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 on the FAFSA

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FSA ID

Everyone Needs an FSA ID

And we mean everyone!

- This include parent(s) who do not have an SSN
- For those without SSNs, they will need to answer a set of questions to confirm their identity
- This will eliminate signature pages for parents
- For parents who are married but file separately, **both parents** will need an FSA ID

An FSA ID must be created before the FAFSA can be started

- Students and parents will no longer be able to use the FSA ID the same day it is created
- Those with SSNs, processing will take 1-3 days
- Those without SSNs, will be able to use the FSA ID on the day it is created

Multi-Factor Authentication (MFA)

- In July 2022, an MFA process was added for everyone who is establishing their first FSA ID
- For individuals who already have an FSA ID, they are now required to enable MFA
- Users have the choice between verifying their phone number, an email, or setting up an authenticator app


Create an Account (FSA ID)


Step 7 of 7


Enable Two-Step Verification

Protect Your Account with Two-Step Verification

Whenever you sign in, we'll send a secure code to make sure it's really you. To keep your account protected, make sure your phone number and email are verified. We also suggest setting up verification using a secure authenticator app.

 SMS Verification
5554324567 ⚠ Not Verified

 Email Verification
johndoe.original@gmail.com ⚠ Not Verified

 Use an Authenticator App (Most Secure Option)

Use an authenticator app that you've downloaded from a mobile app store to view in-app secure codes—visible only to you—that can confirm your identity when you log in.
[Learn More](#)

[Set Up an Authenticator App](#)

NEW! Back-Up Codes

- If a user is unable to access one of the three options, they then have the option of entering a back-up code
- If user loses their back-up code they can log into their accounts with their FSA ID, to generate a new one
 - This is only available if the user has access to their FSA ID

Create an Account (FSA ID)

Step 7 of 7

Enable Two-Step Verification: Backup Code

i We recommend storing your backup code in a safe place.

Your backup code is a special code that lets you access your account in the event that you cannot use any other two-step verification method.

Your Backup Code Is:

CK3H1SM5MRET

I have stored this backup code somewhere safe.

Previous Continue

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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 will not calculate a Federal Pell Grant

- The SAI will only calculate all other FSA Programs (e.g., Federal Work-Study)
- A student’s SAI will no longer be divided by the number enrolled in college

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:
 - Maximum Pell Grant amount
 - Maximum Pell grant and subtract student's SAI to equal a Pell Grant amount
 - Minimum Pell Grant amount
- If a student does not receive a Pell Grant amount from the calculation, they will not be eligible for a Pell Grant

How do students determine their financial need?

Cost of Attendance*

- Student Aid Index (SAI)
 - Other Financial Assistance (OFA)
-

= Financial Need

***Note:** The COA may not be exceeded when packaging a negative SAI

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REPORTING PARENTAL AND FINANCIAL INFORMATION

Parents & the FAFSA

- Who is a parent for purposes of financial aid ***has not*** changed
 - Adoptive parents
 - Biological parents
 - Stepparents 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**

Parents & the FAFSA (continued)

- Parent Wizard Tool
 - Designed to help students determine which parent(s) to input on the FAFSA
 - This will be imbedded into the FAFSA
- Independent students will no longer have the option to provide parental information
- Parents will be notified to complete their section
- Parents can no longer enter student identifiers (e.g., name, date of birth) to start a FAFSA

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:

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

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CHANGES FOR INSTITUTIONS

Professional Judgment Policies

- There are two different categories of professional judgment
 1. **Special Circumstances:** adjusting data elements in the Cost of Attendance or in the FAFSA that can impact the SAI calculation
 2. **Unusual Circumstances:** adjusting a student's dependency status based on a unique situation
- A student may have both a special circumstance and an unusual circumstance

Professional Judgment Policies (continued)

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 professional judgement requests

Dependency Overrides

- Students under the age of 24 will be able to file the FAFSA as a ***provisionally independent student*** if:
 1. They believe they may qualify as an independent student due to unusual circumstances ***and***
 2. Potentially meet the criteria for a dependency override
- A student will be given an SAI and an estimated Pell Grant amount

Unaccompanied and Homeless Youth & Foster Care Youth

- Independent students will be considered an independent student for the subsequent award year(s) **only if** the student attended the same institution
- Schools can accept documentation of independent student status from another financial aid administrator at a different institution
- List of people who can make a determination of unaccompanied homelessness youth **will be** expanded to include:
 - Director or designee of a director of an emergency or transitional shelter, street outreach program, or homeless youth drop-in center
 - Director or designee of a director of a program funded under a TRIO or GEAR UP grant

Cost of Attendance (COA)

- ED now has the authority to regulate what is included in a school's COA, **except** for tuition and fees:
 - Room & Board – Food & Housing
 - Books & Supplies – Books, Course Materials, & Equipment
 - Dependent Care
 - Study Abroad Expenses
 - Transportation expenses will include travel between home, school, and work
 - Federal Student Loan origination fees
 - Cost of professional licensing, certification or professional credentials
- Schools will be required to disclose all elements of COA on their website where information about tuition and fees are reported

2023



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RESOURCES

Better FAFSA Better Future

Federal Student Aid

A better FAFSA® process means a better future for everyone.

AWARD YEAR 2024-2025

Full implementation is right around the corner.

40 years since the last major changes to FAFSA®

Congress passed the FUTURE Act and FAFSA® Simplification Act, making it easier to apply for federal student aid ensuring more people can qualify.

Connecting more people with more funds.

Streamlining application questions.

Developing a better user experience.

930,000 additional Pell Grant award recipients (estimated).

Connecting over 7 million students with more than \$114 billion in aid.

- Knowledge Center
- Training Center
- Financial Aid Toolkit
- FSA Partner Emails
- Customer Service Center

The support you need and deserve. Now and in the future.

BETTER FAFSA®
BETTER FUTURE

Professional Development from ISAC

- **Free** in-person and virtual trainings for school counselors, college and career staff, college-access professionals, and more
- Trainings include:
 - A FAFSA Line-by-Line
 - Working with Special Student Populations
 - Monthly Webinars
 - Financial Aid Certification Series

Professional Development Request

To request Professional Development training, complete and submit the Professional Development Request Form below no more than six (6) months and no less than four (4) weeks prior to the event.

For questions or training inquiries, contact the Professional Development Team at isac.outreachtraining@illinois.gov.

At this time, all trainings are being held virtually until further notice due to COVID-19.

Professional Development Request Form

Event Name: *

Is this request for virtual or in-person support? *

Virtual

In-Person

Event Contact * Title *

<input type="text"/>	<input type="text"/>	<input type="text"/>
First	Last	

School/Organization *

School/Organization Address

Street Address *

City * State * Zip Code *

<input type="text"/>	<input type="text"/>	<input type="text"/>
----------------------	----------------------	----------------------

Email *

Phone Number *

<input type="text"/>	-	<input type="text"/>	-	<input type="text"/>
###		###		####

SECTION II - Event Details

Support Options (Select One):

A more detailed description of these options is at the bottom of this page. *

Year-Round Help



- ISACorps™ members assist the community outside of financial aid season to ensure that students have all the tools and resources that will help students transition to a college campus
- This includes:
 - Helping students with college and scholarship applications
 - Hosting parent info nights, and
 - Remaining available outside of school hours to answer families' questions

ISAC's e-Messaging

- Sign up to receive latest news and updates from ISAC, including:
 - In-person and virtual trainings
 - ISAC's programs and services
 - MAP suspense date

e-Messaging Sign-Up

Our e-Messaging service will keep you informed and up-to-date on the Illinois Student Assistance Commission's programs and services. Although Constant Contact is the provider for the e-Messaging service, our messages share ISAC programmatic and operational information and are not marketing in nature.

From the options below, choose the category that best describes you, and then subscribe to one or more of the available Email Lists by filling out your name and e-mail address and clicking on "Sign Up!".

Students/Parents

Counselors

Financial Aid
Administrators (FAAs)

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Thank You!

Questions? Contact the Professional
Development team at
isac.outreachtraining@illinois.gov!