

FAFSA Simplification: What We Know

October 13, 2023

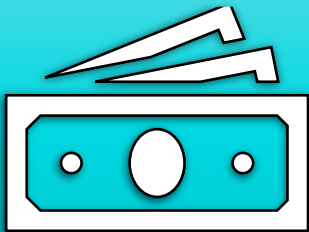
Dada Ibrahimovic

Professional Development Specialist

About ISAC



“Providing Illinois students with information and assistance to help make education beyond high school accessible and affordable”



We administer scholarships and grants to students across the State of Illinois



We provide professional development offerings on navigating the financial aid process, resources and support for underrepresented students, and understanding student loan repayment/forgiveness programs

What We Know So Far...

- 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 2024-25 FAFSA has been released and open for public comment

Agenda

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

Background

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

FAFSA Changes

- Students are required to answer questions about race and ethnicity – these answers are not shared with the colleges and is for research purposes
- Students and parents will access the FAFSA using their own FSA ID
- A parent wizard tool has been developed to help students and families determine which parent(s) will be reported on the FAFSA
- Household size will be referred to as family size
- Students will be able to list up to 20 colleges online
 - List 10 colleges on the paper FAFSA

Technical Updates

The Student Aid Report (SAR) ***is now*** the FAFSA Submission Summary

The save key feature ***has been removed***

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

The IRD Data Retrieval Tool ***has been removed***

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

FSA IDs & The Roles of Contributors

Who is a contributor?

Any who is required to provide:

- A signature on the FAFSA and
- Consent and 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(s)** 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

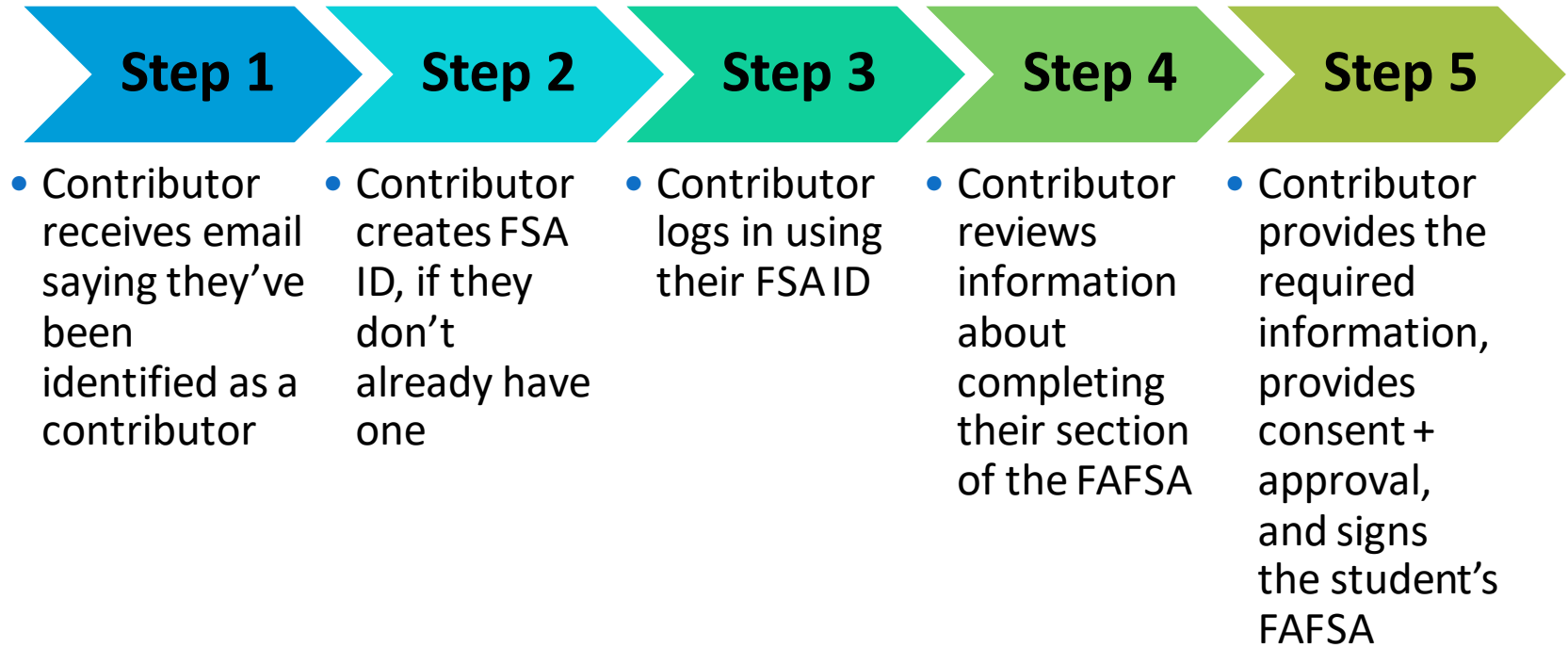


If a contributor (e.g., parent) does not have an SSN, **they will be asked to provide their mailing address**




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

Steps for Contributors



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


Invitation for Parent Contributors


Parent

First Name
Alcina

Last Name
Tran

Date of Birth
Month: 05 Day: 05 Year: 1973


Parent Spouse

Social Security Number (SSN)
 SHOW ⓘ

My parent doesn't have a SSN

Email Address
alcinatan@school.edu

Confirm Email Address
alcinatan@school.edu

Invite Parent

Social Security Number (SSN)
 HIDE ⓘ

My parent doesn't have a SSN


Email Address

Confirm Email Address

Invite Parent

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



[Contributor First Name],

[StudentFirstName] [StudentLastInitial] 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 [StudentFirstName]'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 [StudentFirstname]? Read [\[Help topic title\]](#).

Log In

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 need an FSA ID
 - Parent(s) will answer a series of identity-based questions
 - The Department of Education is still working on this process
 - 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

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
- 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
 - Calculated Pell (Max Pell minus SAI)
 - 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

How do students determine their financial need?

Cost of Attendance (COA)*

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

= Financial Need

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

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 or 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 who to report

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.

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

Changes for Independent Students

Professional Judgment Policies

- There are two 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
- 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) **only if** the student attended the same institution – the student no longer must submit documentation every year to meet the criteria

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

Resources

NEW! FAFSA Simplification Webpage

- ISAC has developed a new webpage 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?

Professional Development from ISAC

- **Free** in-person and virtual trainings for school counselors, college and career staff, college-access professionals, and more
- Trainings include:
 - 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"/>
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Email * Phone Number *

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

Find Your ISACorps Member

The ISACorps are here to help you through the college planning process! ISACorps members are recent college graduates from across the state that can help you with the ins and outs of selecting and applying to college, scholarship searches, FAFSA completion, and student financial aid. Meet with your local ISACorps member for free one-on-one assistance or at FREE college fairs and financial aid workshops in your community.



Cristian Solorzano

community college district assigned to:

PARKLAND COLLEGE

✉ Cristian.Solorzano@illinois.gov

☎ (217) 480-5339



Iris Medina

community college district assigned to:

PARKLAND COLLEGE

✉ Iris.Medina@illinois.gov

☎ (773) 951-8794

Additional Language: Spanish

2023 FAFSA Symposium



ISAC
FAFSA
SYMPOSIUM

- Join us at **two** locations this year:
 - Illinois Central College on **Wednesday, October 25**
 - Moraine Valley Community College on **Tuesday, November 7**
- Registration is now open!
- We will share updates on the FAFSA and Alternative Application and attendees will hear from a variety of speakers



Thank You!

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

Sign up for ISAC's e-messaging service to receive the latest news and updates at www.isac.org/emessaging