Overview and Timeline

Nautochia Webb
Training Officer
June 6, 2023
AGENDA

- Better FAFSA® Better Future Training Schedule, June–July 2023
- Legislative Overview
- Implementation Timeline
- Award Year 2023–24
- Award Year 2024–25
- Technical References and File Layouts
- Resources and Outreach
BETTER FAFSA® BETTER FUTURE SERIES

✔ Better FAFSA® Better Future Overview and Timeline
  June 6 from 1–2 p.m. ET

✔ Protecting Federal Tax Information (FTI) at Your Institution
  June 8 from 1–2 p.m. ET

✔ ISIR vs. ISIR
  June 13 from 1–2 p.m. ET

✔ Professional Judgment, Dependency Status, and Verification
  June 15 from 1–2 p.m. ET

✔ Better FAFSA® Better Future Q&A – Session 1
  June 20 from 1–2 p.m. ET

✔ Student Aid Index (SAI) – Part 1
  June 22 from 1–2:30 p.m. ET

✔ Student Aid Index (SAI) – Part 2
  June 27 from 1–2:30 p.m. ET

✔ Pell Grant Minimums, Maximums, and In Between
  July 6 from 1–2 p.m. ET

✔ The FAA’s Role in FAFSA® Simplification
  July 11 from 1–2:30 p.m. ET

✔ Better FAFSA® Better Future Q&A – Session 2
  July 13 from 1–2 p.m. ET

✔ FAFSA® Demonstration
  Summer 2023

Summer 2023
# WEEK 1

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<td>6/6/2023</td>
<td>1–2 p.m. ET</td>
<td><strong>Better FAFSA® Better Future Overview and Timeline</strong></td>
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<td>We will review the legislation and discuss the phased implementation from 2023–24 through 2024–25. The session will conclude with additional resources, upcoming training dates, and an opportunity to ask questions. <a href="#">Microsoft Teams Link</a></td>
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<td>6/8/2023</td>
<td>1–2 p.m. ET</td>
<td><strong>Protecting Federal Tax Information (FTI) at Your Institution</strong></td>
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<td>The IRS DRT is being replaced by the Future Act Direct Data Exchange (FADDX). The session will cover your responsibilities in protecting FTI beginning with the 2024–25 FAFSA form. We will also cover the consent process for students and parents and the impact of failure to consent. <a href="#">Microsoft Teams Link</a></td>
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# WEEK 2

## June

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<td>6/13/2023</td>
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<td><strong>ISIR vs. ISIR</strong>&lt;br&gt;Join us as we discuss the changes to the 2024–25 ISIR that are the result of the updates to the FAFSA® questions and processing changes. <a href="#">Microsoft Teams Link</a></td>
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<td>6/15/2023</td>
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<td><strong>Professional Judgment, Dependency Status, and Verification</strong>&lt;br&gt;We will cover FAFSA Simplification Act changes related to professional judgments, dependency determinations, and verification. <a href="#">Microsoft Teams Link</a></td>
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# WEEK 3

## June

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<td><strong>Better FAFSA® Better Future Q&amp;A – Session 1</strong>&lt;br&gt;Need answers? FSA will respond to questions from previous sessions and field additional questions about Better FAFSA Better Future. <a href="#">Microsoft Teams Link</a></td>
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<tr>
<td>6/22/2023</td>
<td>1–2:30 p.m. ET</td>
<td><strong>Student Aid Index (SAI) – Part 1</strong>&lt;br&gt;Join us as we spotlight the differences between the SAI and EFC formulas and navigate through the world of SAI calculations. Part 1 of this training focuses on SAI formulas for dependent students. <a href="#">Microsoft Teams Link</a></td>
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# WEEK 4

## June

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<td><strong>Student Aid Index (SAI) – Part 2</strong>&lt;br&gt;We will calculate the SAI for independent students using Formulas B and C. <a href="#">Microsoft Teams Link</a></td>
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<tr>
<td>7/6/2023</td>
<td>1–2 p.m. ET</td>
<td>Pell Grant Minimums, Maximums, and In Between&lt;br&gt;Get ready to learn about Pell Grant minimums and maximums and examine the new methodologies used to calculate a student’s scheduled award in between the minimum and maximum Pell Grant. This session also includes case studies of the different measures used to assess a family’s ability to pay for college. <a href="#">Microsoft Teams Link</a></td>
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## WEEK 6

### July

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<td>7/11/2023</td>
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<td><strong>The FAA’s Role in FAFSA® Simplification</strong>&lt;br&gt;Join us as we discuss the FAA’s role in implementing the FAFSA Simplification Act including working with internal and external partners, updating policies and procedures, and operations to align with all the changes, and assisting the aid applicant.&lt;br&gt;<a href="#">Microsoft Teams Link</a></td>
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<tr>
<td>7/13/2023</td>
<td>1–2 p.m. ET</td>
<td><strong>Better FAFSA® Better Future Q&amp;A – Session 2</strong>&lt;br&gt;Need answers? FSA will respond to questions from previous sessions and field additional questions about Better FAFSA Better Future.&lt;br&gt;<a href="#">Microsoft Teams Link</a></td>
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### WEEK 7

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<td>2024–25 FAFSA® Demonstration</td>
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<td>Big changes are coming to the 2024–25 FAFSA form! Join us as we tour new features and discuss important updates to the FAFSA experience. Our demonstration will include a look at the new roles page, inviting contributors, new question order, student demographic questions, the parent wizard, and other exciting features. We will also view how to provide consent to retrieve and disclose Federal Tax Information (FTI).</td>
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<td>Summer 2023</td>
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LEGISLATIVE OVERVIEW
CONSOLIDATED APPROPRIATIONS ACT, 2021

Public Law Number 116-260

Signed into law: December 27, 2020

FUTURE Act
Expands access to federal student aid; mandates Federal Student Aid to use data directly from IRS

FAFSA® Simplification Act
Introduces significant changes to FAFSA application process:
- Changes to FAFSA form
- How students and families complete application
- Changes to eligibility calculation
CONSOLIDATED APPROPRIATIONS ACT, 2022

Public Law 117-103

Signed into law: March 15, 2022

**FAFSA® Simplification Technical Corrections Act**

- Extended FAFSA simplification implementation timeline
- Updated cost of attendance language and special rules for independent students
- Modified terms and conditions for Pell-eligible students as related to:
  - Iraq and Afghanistan Service Grant
  - Children of Fallen Heroes Scholarship
QUICK QUESTION

How long has it been since the last major change to FAFSA®?
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.
IMPLEMENTATION TIMELINE
FAFSA® Simplification Implementation Timeline

- Repealed Subsidized Usage Limit Applies (SULA) calculation
- Removed negative consequences for drug convictions or Selective Service requirement
- Updated Student Aid Report (SAR) comments for drug convictions and Selective Service responses
- Remove drug conviction and Selective Service FAFSA questions
  - Demographic survey
  - Expand:
    - Pell Lifetime Eligibility Used (LEU) restoration
    - Professional Judgement
    - Incarcerated students eligible for Pell Grants
    - Cost of attendance (COA) updates
    - And more..
- Modified FAFSA form (provisional independent student determination)
  - Student Aid Index (SAI) replaces Expected Family Contribution (EFC)
  - Changes to:
    - Pell Grant eligibility formula
    - Verification selection criteria
    - Direct Data Exchange to import Federal Tax Information (FTI)
    - And more..

Award Year 2021-2022
Award Year 2022-2023
Award Year 2023-2024
Award Year 2024-2025
AWARD YEAR 2021–22

SULA
Repealed Subsidized Usage Limit Applies (SULA) calculation

Drug Convictions and Selective Service
Removed negative consequences for drug convictions or Selective Service requirement
AWARD YEAR
2022–23

SAR Comments
Updated Student Aid Report (SAR) comments for drug convictions and Selective Service responses
AWARD YEAR
2023–24

Remove Drug and SS
Remove drug conviction and Selective Service FAFSA questions and adds separate demographic survey

Expand LEU and PJ
Pell Lifetime Eligibility Used (LEU) restoration and changes to Professional Judgment

Cost of Attendance
Changes to definitions of cost of attendance components

Expand Pell
Incarcerated students eligible for Pell Grants
AWARD YEAR
2024–25

Modified FAFSA® Form
Includes remaining Simplification provisions (provisional independent student determination); collects demographic info on race/ethnicity

Aid Eligibility Tool
Provide tool for estimating student aid eligibility

SAI Replaces EFC
SAI calculation replaces EFC
AWARD YEAR
2024–25
(CONT.)

Pell Grant
Changes to Pell Grant eligibility formula

Import FTI
Direct Data Exchange to import Federal Tax Information (FTI)

Change FAFSA® Process
Re-engineered FAFSA processing systems
AWARD YEAR 2023–24
PHASED IMPLEMENTATION

2023–24 FAFSA® Form
2023–24
IMPLEMENTATION

Effective date and resources

See Dear Colleague Letter November 4, 2022 (GEN-22-15)

See 2023–24 FSA Handbook for implementation changes
2023–24 COA CHANGES (1 OF 2)

Section 472 of the Higher Education Act Amendments

- Revisions to Cost of Attendance (COA)
- Standard allowances for certain components
  - “Room and board” changed to “food and housing”
  - “Food and housing” grouped together as “living expenses”
  - Transportation expenses include travel between campus, student’s home, and work
2023–24 COA CHANGES (2 OF 2)

Students enrolled less than half time
• May include components not expressly prohibited by law

Cost to obtain licensure/certification
• No longer just one-time
• Applies to license, certification, or first professional credential

Incarcerated students

Expanded consumer information requirements
PROFESSIONAL JUDGMENT (PJ) CHANGES

New policies and provisions related to professional judgments and dependency determinations

- Special circumstances (ex. job loss)
- vs.
- Unusual circumstances (ex. human trafficking)

Consider all PJ requests

May accept prior determinations of independence

Updates to acceptable documentation
2023–24 IMPLEMENTATION CONTINUED

FEDERAL PELL GRANT ELIGIBILITY

• Restores Lifetime Eligibility Used (LEU) for discharged loans
• Incarcerated students enrolled in approved prison education programs as of July 1, 2023 are eligible

FAFSA® FORM CHANGES

• Removes Selective Service and drug conviction questions
• Voluntary, post-application survey
• Questions for homeless youth (renewal eligible)
QUICK QUESTION

When was the last time confined or incarcerated individuals were eligible for Federal Pell Grants?
ANSWER

1994
2023–24
PRISON EDUCATION PROGRAMS (PEP)

Confined/incarcerated individuals enrolled in eligible PEP eligible for Pell Grants

Resources

• DCL GEN-23-05

• PEP Knowledge Center Topic Page
  • PEP Training Resources Page
  • PEP Learning Track
Complete the FAFSA® Form

Use the Free Application for Federal Student Aid (FAFSA®) form to apply for financial aid for college or graduate school.

New to the FAFSA® Process?
Completing the FAFSA form is free. Fill it out now.

Start Here

Returning User?
Correct info | Add a school

View your Student Aid Report (SAR)

Log In

FAFSA® Announcements

Changes to Your Family's Financial Situation
If your or your family's financial situation has changed significantly from what is reflected on your federal income tax return (for example, if you've lost a job or otherwise experienced a drop in income), you may be eligible to have your financial aid adjusted. Complete the FAFSA questions as instructed on the application (including the transfer of tax return and income information), submit your FAFSA form, then contact the school you plan to attend to discuss how your current financial situation has changed. Note that the school's decision is final and cannot be appealed to the U.S. Department of Education. Visit StudentAid.gov/coronavirus for more information.
AWARD YEAR 2024–25
2024–25

Full Implementation

- Modern streamlined FAFSA® process
- Expanded aid eligibility

Secure, stable and accurate

- Redesigned form*
- Data capture
- Eligibility calculation(s)

*Available December 2023
2024–25 FAFSA® SIMPLIFICATION EXPERIENCE

User experience design principles to optimize online FAFSA form

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**Transparent**
Reduce cognitive load

**Efficient**
Minimize redundant processes

**Consistent**
Maximize reuse of previously collected data

**Intuitive**
Improve placement
2024–25 FAFSA® SIMPLIFICATION EXPERIENCE CONTINUED

Roles-based Completion

1. Student
2. Parent and Other Parent
3. Student Spouse
4. Preparer
CONSENT TO RETRIEVE FTI

FUTURE Act Requirement

• Direct Data Exchange to import applicant, parent, parent spouse, and/or student spouse Federal Tax Information (FTI)

• Consent to redisclose to state entities, institutions, and scholarship organizations
Estimated Financial Assistance (EFA) will change to Other Financial Assistance (OFA) and Expected Family Contribution (EFC) will change to Student Aid Index (SAI)

\[
\text{Expected Cost of Attendance (COA)} = \text{Student Aid Index (SAI)} - \text{Other Financial Assistance (OFA)} - \text{Need}
\]
2024–25 SAI

- FUTURE Act Direct Data Exchange (FADDX) to import income
- Increased income protection allowance (IPA)
- Removes number of family members in college
- Replaces simplified needs test
2024–25 NEGATIVE SAI AND PELL GRANTS

NEGATIVE SAI

• As low as -1500
• Non-tax filers receive automatic -1500 SAI

PELL GRANTS

• Max/Min determined by:
  • AGI (if required to file federal tax return)
  • Household size
  • Federal poverty guidelines
2024–25

Provisional Independence

Students can receive provisional eligibility calculation

Students with unusual circumstances directed to Independent student flow

Approved unusual circumstance determinations will carry forward
TECHNICAL REFERENCES AND FILE LAYOUTS
ELECTRONIC DATA EXCHANGE (EDE) CHANGES IN 2024–25

Process modifications:

• No longer accepting applications/signatures via EDE

FUTURE Act requirement

• Applicants and application contributors provide consent during application submission (not possible via EDE)

• EDE Corrections update:
  • Field numbers modified to align with new FAFSA® Processing System (FPS)
FAFSA PROCESSING CHANGES IN 2024–25

- **FAFSA Federal Tax Information (FTI) fields**

- **Direct Data Exchange (FA DDX)**
  - FTI data linked to application contributor
  - Rejects, Highlights, Comment Codes with renumbering
ISIR CHANGES IN 2024–25

- ISIR Record Layout
- Technical Reference & Guide Updates


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RESOURCES AND OUTREACH
Draft Technical Reference Guides and Record Layouts available

2024–25 FAFSA Specifications Guide
- Draft Introduction
- Draft Volume 4 – Record Layouts and Processing Codes

2024–25 DRAFT Student Aid Index (SAI) and Pell Grant Eligibility Guide
UPCOMING INFORMATION

- ISIR Record Layout

- Application Processing System Specs for Software Developers

- Test ISIRs

Spring 2023

Draft

Summer 2023

Final

Fall 2023

Final
ADDITIONAL RESOURCES AND OUTREACH

• **EA ID: GENERAL-23-34** – Access and Use of FTI for FSA Programs Beginning with the 2024–25 FAFSA Processing Cycle

• Upcoming [DCLs](#) and [EAs](#)

• **2023–24 FSA Handbook**

• Application form for PEP approval process

• [Ongoing webinars](#)
KNOWLEDGE CENTER

**FAFSA Simplification Information**

Get the most up-to-date information on implementation in the Knowledge Center “Topics” section.

Subscribe for email updates at Knowledge Center Home!
PROTECTING FEDERAL TAX INFORMATION (FTI) AT YOUR INSTITUTION

THURSDAY, JUNE 8

Join us as we discuss the new Future Act Direct Data Exchange (FADDX), the accompanying consent process, and your responsibilities in protecting FTI.

For a complete list of upcoming webinars, visit the FSA Training Center.
SUMMER TRAINING SCHEDULE

6/6 Overview and Timeline

6/8 Protecting Federal Tax Information (FTI) at Your Institution

6/13 ISIR vs. ISIR

6/15 Professional Judgment, Dependency Status, and Verification

6/20 Q&A Session 1

6/22 Student Aid Index Part 1
SUMMER TRAINING SCHEDULE CONTINUED

6/27
Student Aid Index Part 2

7/6
Pell Min, Max, & In Between

7/11
The FAA’s Role in FAFSA® Simplification

7/13
Q&A Session 2

TBD
FAFSA Demonstration
FEEDBACK SURVEY

https://www.surveymonkey.com/r/BFBFOverview

Survey open until June 6, 2024

QUESTIONS?
HAVE MORE QUESTIONS?

You may submit questions not answered during today’s webinar on the FSA Training Center’s FAFSA Simplification Training and Resources page.

We will address as many submitted questions as possible during our dedicated Q&A webinars on June 20 and July 13.