

BETTER FAFSA® BETTER FUTURE

Overview and Timeline

Nautochia Webb
Training Officer
June 6, 2023



**BETTER
FAFSA®**
BETTER FUTURE

Federal Student Aid
An OFFICE of the U.S. DEPARTMENT of EDUCATION

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



WEEK 1

June		
Date	Time	Description and Link
6/6/2023	1-2 p.m. ET	<p>Better FAFSA® Better Future Overview and Timeline</p> <p>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.</p> <p>Microsoft Teams Link</p>
6/8/2023	1-2 p.m. ET	<p>Protecting Federal Tax Information (FTI) at Your Institution</p> <p>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.</p> <p>Microsoft Teams Link</p>

WEEK 2

June		
Date	Time	Description and Link
6/13/2023	1–2 p.m. ET	<p>ISIR vs. ISIR</p> <p>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.</p> <p>Microsoft Teams Link</p>
6/15/2023	1–2 p.m. ET	<p>Professional Judgment, Dependency Status, and Verification</p> <p>We will cover FAFSA Simplification Act changes related to professional judgments, dependency determinations, and verification.</p> <p>Microsoft Teams Link</p>

WEEK 3

June		
Date	Time	Description and Link
6/20/2023	1-2 p.m. ET	<p>Better FAFSA® Better Future Q&A – Session 1</p> <p>Need answers? FSA will respond to questions from previous sessions and field additional questions about Better FAFSA Better Future.</p> <p>Microsoft Teams Link</p>
6/22/2023	1-2:30 p.m. ET	<p>Student Aid Index (SAI) – Part 1</p> <p>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.</p> <p>Microsoft Teams Link</p>

WEEK 4

June		
Date	Time	Description and Link
6/27/2023	1-2:30 p.m. ET	<p>Student Aid Index (SAI) - Part 2</p> <p>We will calculate the SAI for independent students using Formulas B and C.</p> <p>Microsoft Teams Link</p>
6/29/2023	No Webinar	

WEEK 5

July		
Date	Time	Description and Link
7/4/2023	No Webinar	
7/6/2023	1-2 p.m. ET	<p>Pell Grant Minimums, Maximums, and In Between 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.</p> <p>Microsoft Teams Link</p>

WEEK 6

July		
Date	Time	Description and Link
7/11/2023	1–2:30 p.m. ET	<p>The FAA's Role in FAFSA® Simplification</p> <p>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.</p> <p>Microsoft Teams Link</p>
7/13/2023	1–2 p.m. ET	<p>Better FAFSA® Better Future Q&A – Session 2</p> <p>Need answers? FSA will respond to questions from previous sessions and field additional questions about Better FAFSA Better Future.</p> <p>Microsoft Teams Link</p>

WEEK 7

July		
Date	Time	Description and Link
7/17/2023	No Webinar	
Summer 2023		<p>2024–25 FAFSA® Demonstration</p> <p>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).</p>

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



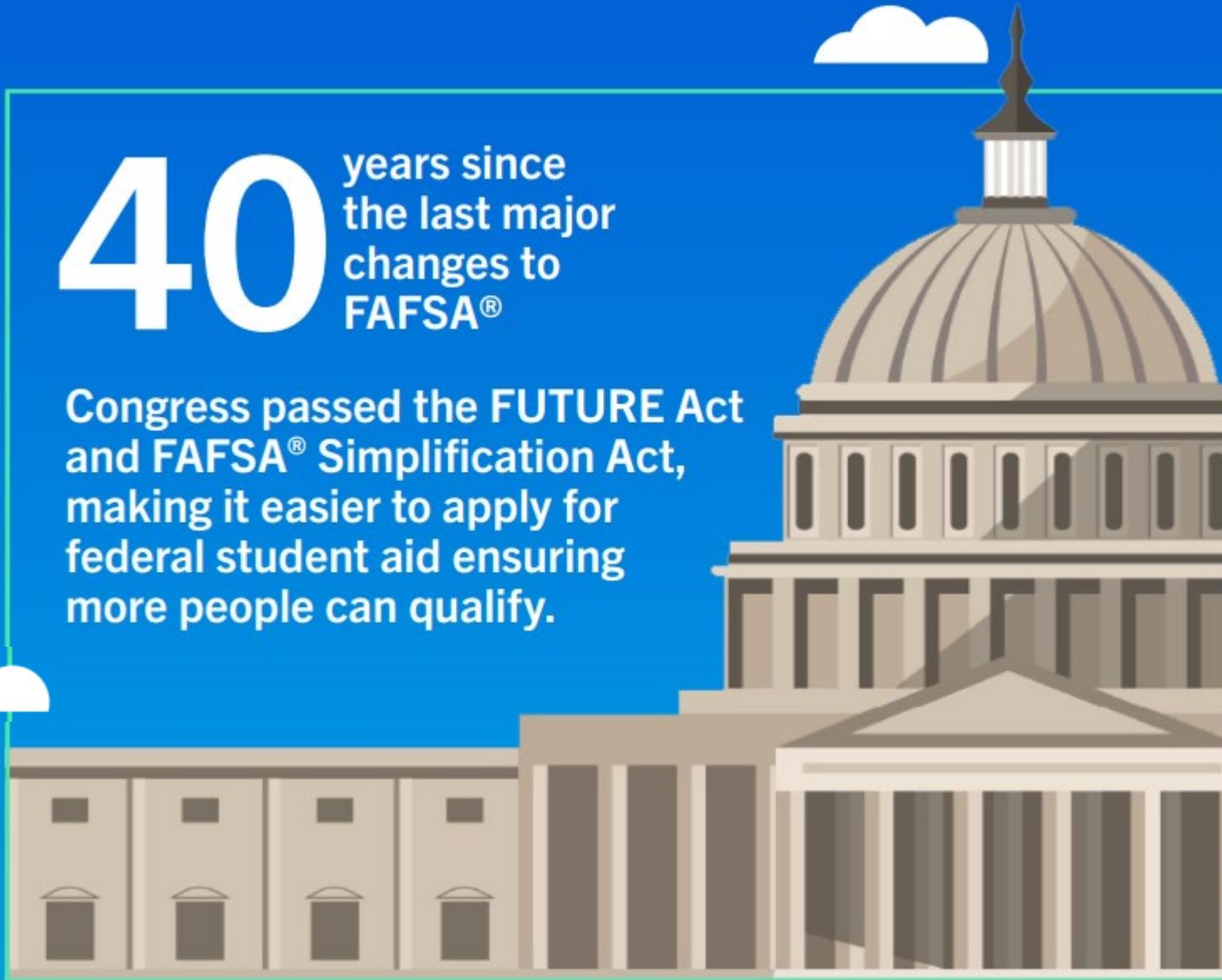
QUICK QUESTION

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

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



Remove Drug and SS

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



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.)

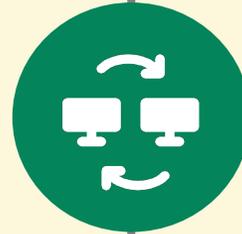


Pell Grant

Changes to Pell Grant eligibility formula

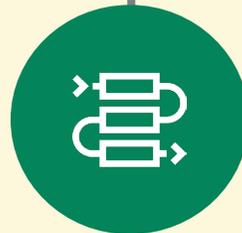
Import FTI

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

2023-2024

July 1, 2023 – June 30, 2024

FAFSA®

Federal Student Aid | PROUD SPONSOR of the AMERICAN MIND®
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FREE APPLICATION for FEDERAL STUDENT AID

Step One (Student): For questions 1-28, leave any questions that do not apply to you (the student) blank. OMB # 1845-0001

Your full name (**exactly as it appears on your Social Security card**) If your name has a suffix, such as Jr. or III, include a space between your last name and suffix.

1. Last name	<input type="text"/>	2. First name	<input type="text"/>	3. Middle initial	<input type="text"/>
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Your permanent mailing address

4. Number and street (include apt. number)	<input type="text"/>									
5. City (and country if not U.S.)	<input type="text"/>	6. State	<input type="text"/>	7. ZIP code	<input type="text"/>					

8. Your Social Security Number **See Notes page 9.**

<input type="text"/>	-	<input type="text"/>	-	<input type="text"/>
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9. Your date of birth

MONTH	DAY	YEAR
<input type="text"/>	<input type="text"/>	<input type="text"/>

10. Your telephone number

(<input type="text"/>)	<input type="text"/>	-	<input type="text"/>
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2023–24 IMPLEMENTATION

Effective date and resources

Changes
effective for
2023–24 award
year



Federal Student Aid

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Published on <https://faaaspartners.ed.gov/knowledge-center/dear-colleague-letters/2022-11-03/fafsa-simplification-act-changes-implementation-2023-24>

PUBLICATION DATE: November 04, 2022
DCL ID: GEN-22-15
SUBJECT: FAFSA® Simplification Act Changes for Implementation in 2023-24

SUMMARY: This letter provides information that supplements the FAFSA Simplification Act information provided in the Federal Register notice published on Nov. 4, 2022, regarding new policies that become effective for the 2023-24 Award Year. We will continue to address other aspects of the FAFSA Simplification Act implementation in the future.

Dear Colleague:

On Nov. 4, 2022, we published a Federal Register notice [17.315.6668] announcing changes as authorized by the FAFSA Simplification Act (Act), which was enacted into law as part of the Consolidated Appropriations Act, 2022 and amended by the Consolidated Appropriations Act, 2022. The Act makes many important amendments to the Higher Education Act of 1965, as amended (HEA) and the Free Application for Federal Student Aid (FAFSA®), which are required to be implemented by July 1, 2024.

As described in the [June 11, 2021 Electronic Announcement](#), the Department of Education (Department) is implementing these changes via a phased approach that began with the 2021-22 Award Year, with full implementation planned for the 2024-25 Award Year.

This Dear Colleague Letter describes requirements that the Department is implementing for cost of attendance (COA), professional judgment, and independent student statuses for the 2023-24 Award Year. Where possible, the Department has made changes to the 2023-24 FAFSA form in anticipation of full implementation in 2024-25. The Department also notes that, while the Student Aid Index (SAI) will replace the Expected Family Contribution (EFC) on the 2024-25 FAFSA form, we will continue to reference the EFC in this publication and elsewhere until we implement the SAI.

The Department is also implementing new Federal Pell Grant (Pell Grant) eligibility for students incarcerated in Federal and State penal facilities and restoring Pell Grant eligibility to students who had Federal student loans discharged under specific criteria, including closed school, false certification, and borrower defense to repayment loan discharge, in the 2023-24 Award Year. Although we address these items briefly in this publication, we are developing additional guidance on these topics.

To further assist institutions in implementing some of these new policies for 2023-24, we are providing a [Questions and Answers](#) section at the end of this Dear Colleague Letter.

2023-24 Award Year: Changes to Be Implemented

Cost of Attendance (COA)

The FAFSA Simplification Act (116 Pub. L. 260, Division FF, Title VII) and the Consolidated Appropriations Act, 2022 (117 Pub. L. 103, Division R) jointly modify the COA components and consumer information pertaining to those components. The revisions provide more clarity and detail to individual COA components, and institutions must implement them for the 2023-24 Award Year.

What has changed?

- Language regarding costs for rental or purchase of equipment, materials, or supplies has moved out of the definition of "tuition and fees" and into a broader definition of "books, course materials, supplies, and equipment."

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

An official website of the United States government.

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2023-2024 Federal Student Aid Handbook

Welcome

Application and
Verification Guide

Welcome

The Federal Student Aid Handbook consists of the Application volumes, and appendices. Each volume and appendix is post-approved by the appropriate offices in Federal Student Aid.

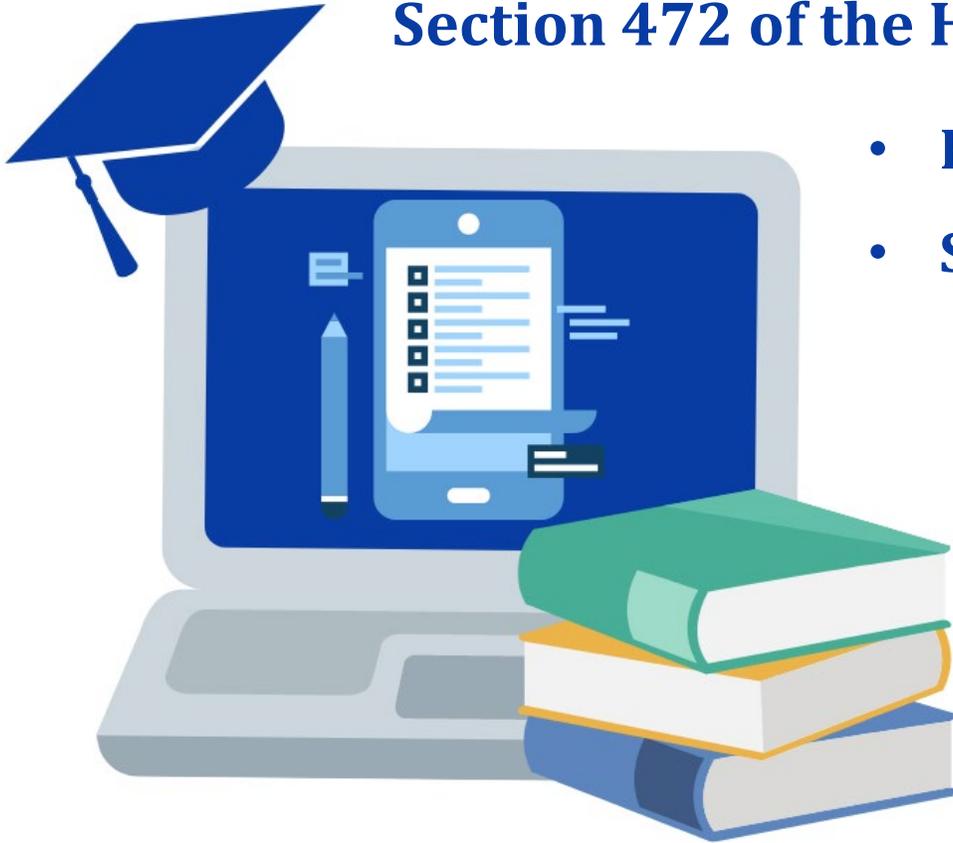
Throughout the Federal Student Aid Handbook, we use "coll" unless a more specific use is given. Similarly, "app" "Parents" in this volume refers to the parents of dependent students of the handbook; financial aid administrators at colleges and universities; the Department, ED; and "federal student aid" are financial aid programs offered by the Department.

We appreciate any comments that you have on the Federal Student Aid Handbook based on questions and feedback from the financial aid community. Please email faschoolspubs@ed.gov about how to improve the handbook.

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

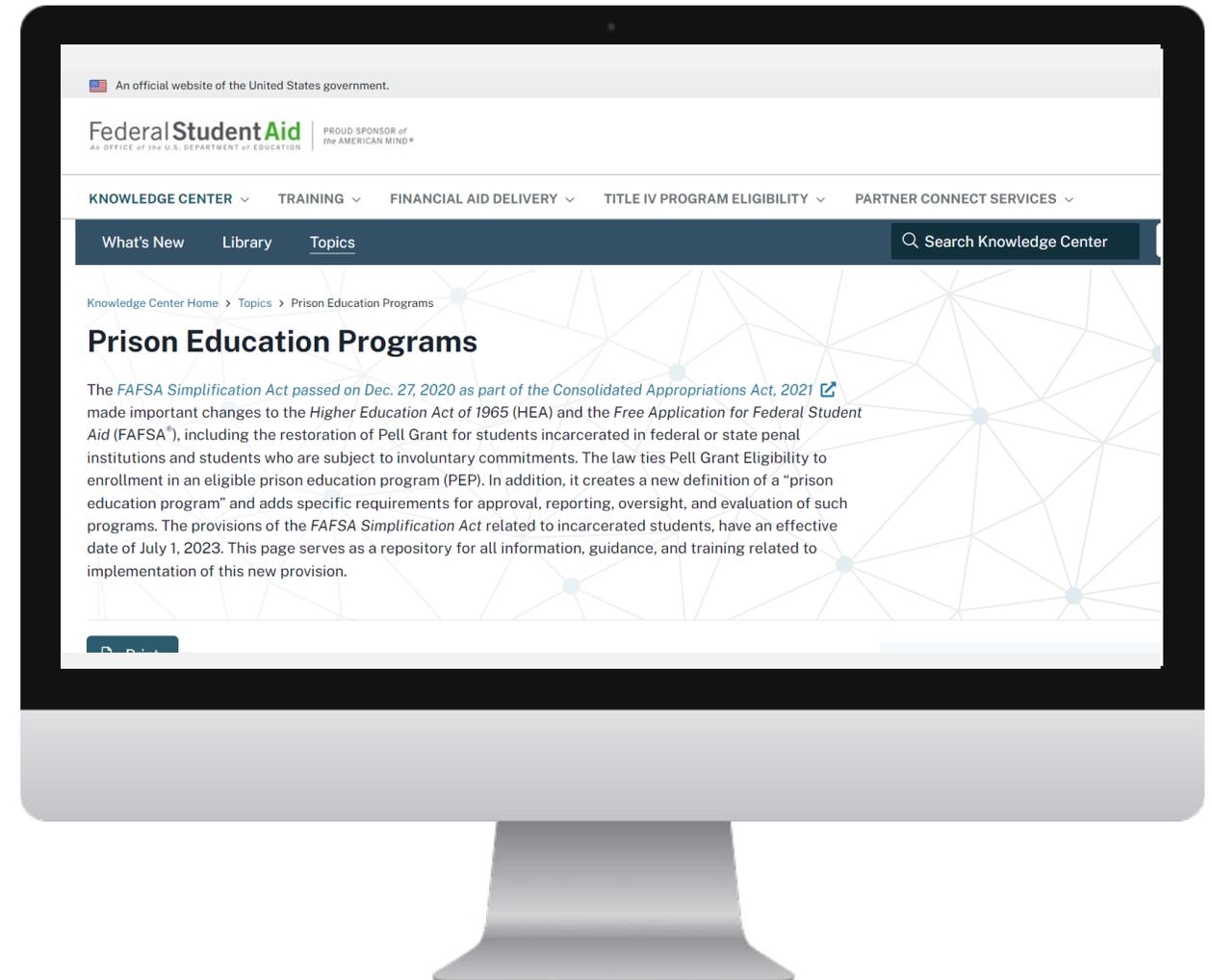


2023–24 PRISON EDUCATION PROGRAMS (PEP)

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](https://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*

Federal
Student
Aid

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

**BETTER
FAFSA®**
BETTER FUTURE

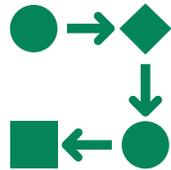
2024–25 FAFSA[®] SIMPLIFICATION EXPERIENCE

User experience design principles to optimize online FAFSA form



Transparent

Reduce cognitive load



Efficient

Minimize redundant processes



Consistent

Maximize reuse of previously collected data

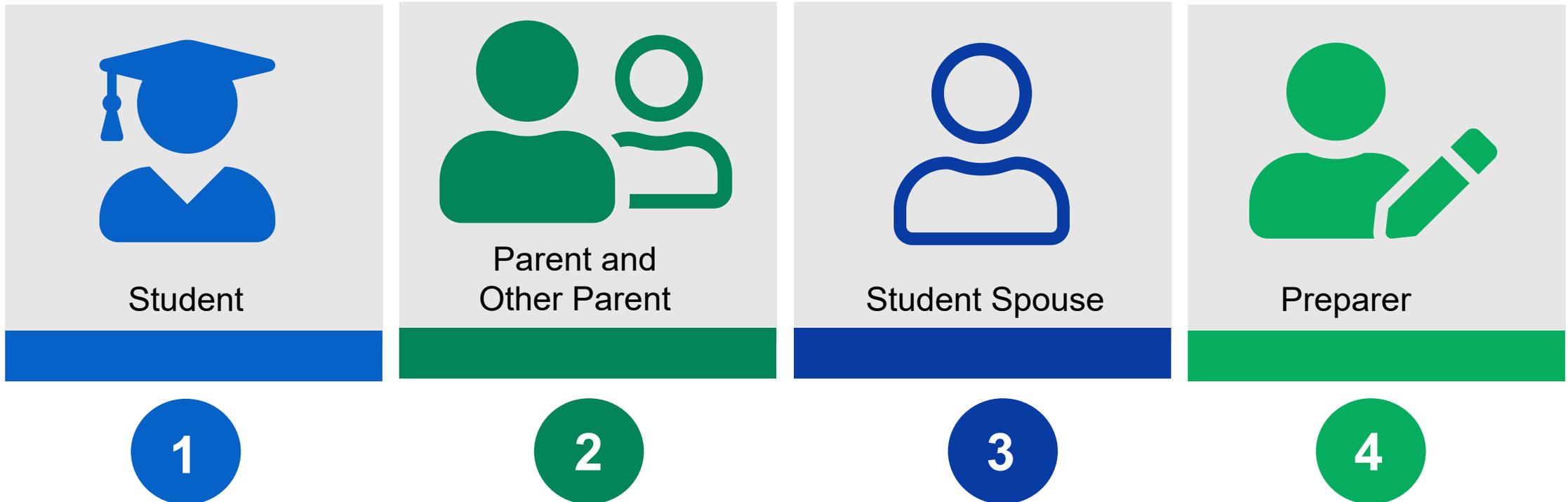


Intuitive

Improve placement

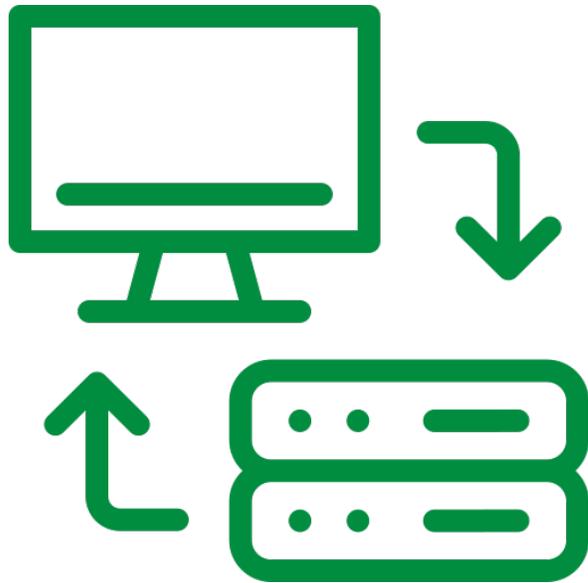
2024–25 FAFSA® SIMPLIFICATION EXPERIENCE CONTINUED

Roles-based Completion



CONSENT TO RETRIEVE FTI

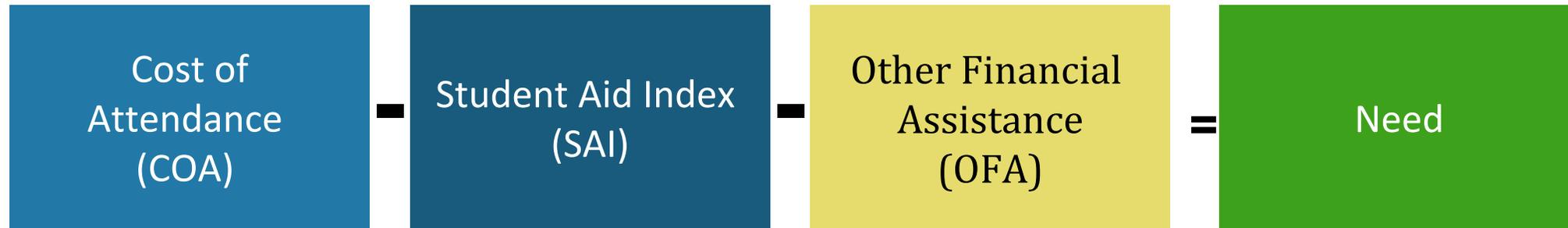
FUTURE Act Requirement



- 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

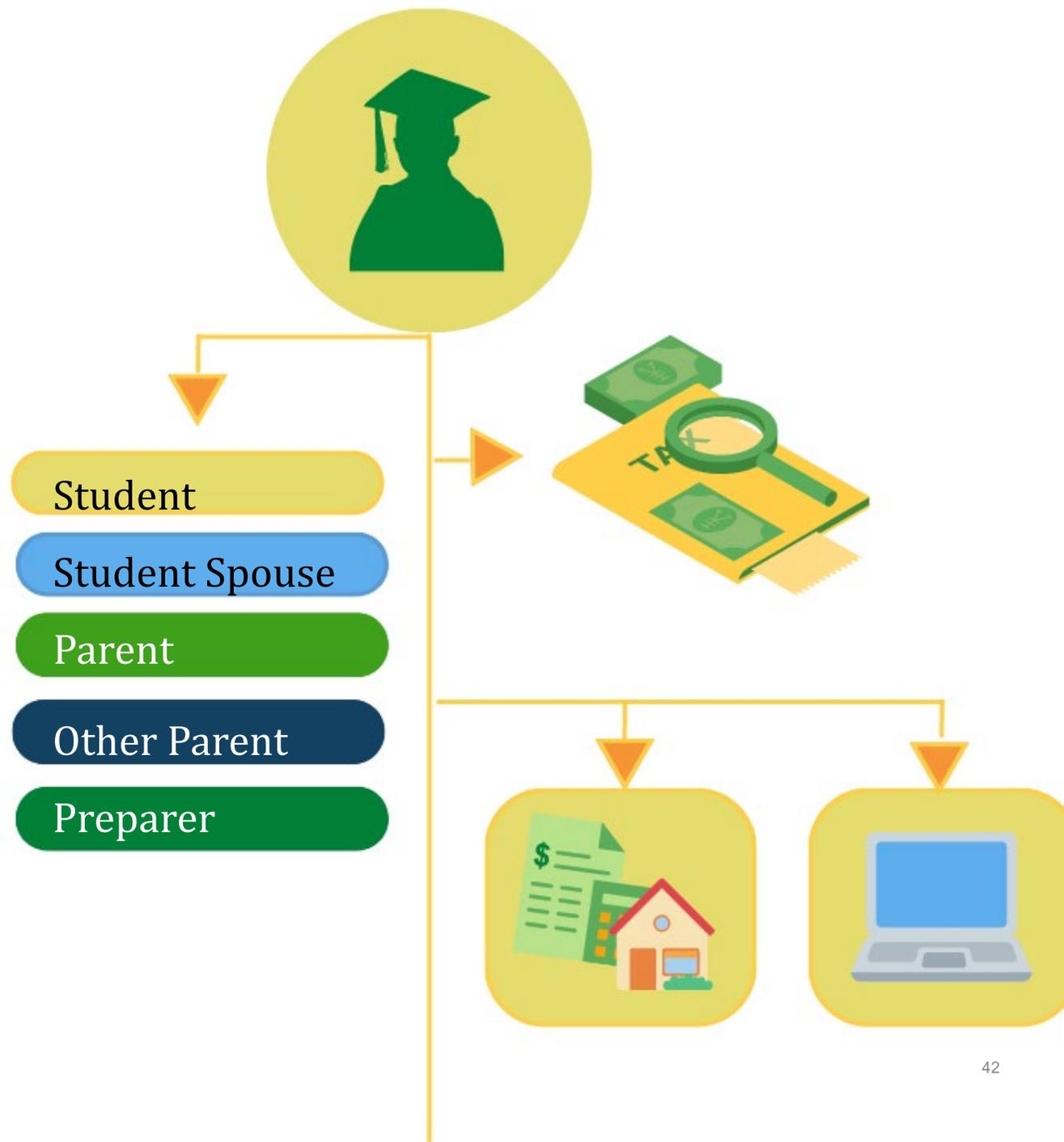
2024–25: STUDENT AID INDEX (SAI)

Estimated Financial Assistance (EFA) will change to Other Financial Assistance (OFA) and Expected Family Contribution (EFC) will change to Student Aid Index (SAI)



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 with unusual circumstances directed to Independent student flow



Students can receive provisional eligibility calculation



Approved unusual circumstance determinations will carry forward

TECHNICAL REFERENCES AND FILE LAYOUTS

ELECTRONIC DATA EXCHANGE (EDE) CHANGES IN 2024–25

Process modifications:

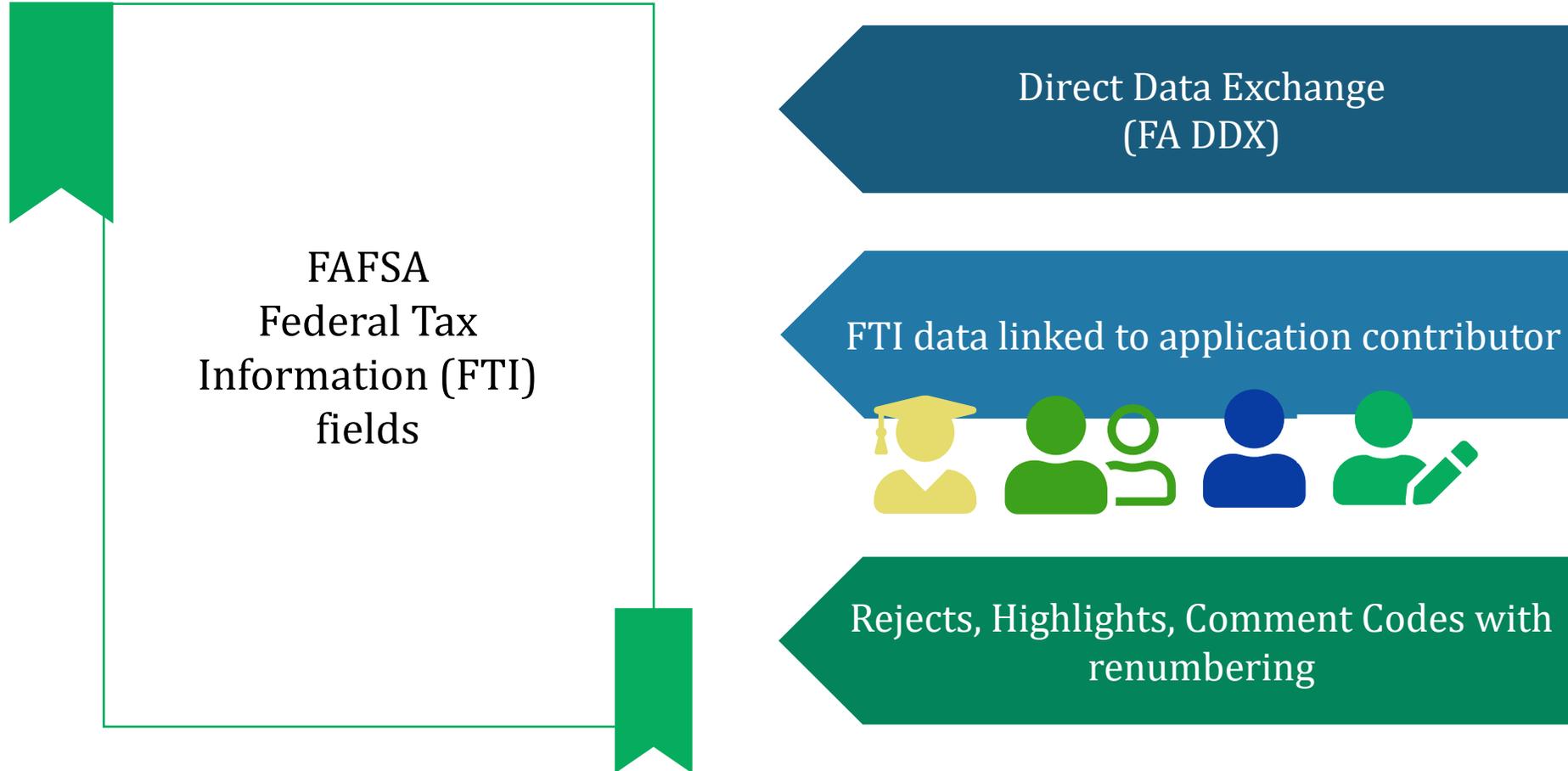
- No longer accepting applications/signatures via EDE

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



ISIR CHANGES IN 2024–25

- ISIR Record Layout
- Technical Reference & Guide Updates
- More information: [FSATC Session B015-2024–25 FAFSA Processing/FAA Access Changes](#)

Field #	FAFSA #	Start	End	Length	Field Name	Valid Content	Justify Signed
Transaction Identification: FAFSA Identification UUID, Transaction UUID, Application and Transaction Data Sources, Model, Transaction Dates, etc.							
	N/A	1	1	1	Year Indicator	5, will always be "5" (for 2024-2025)	Left
	N/A	2	33	32	FAFSA UUID	Alpha/Numeric	
	N/A	34	65	32	Transaction Identifier	Alpha/Numeric	
	N/A	66	67	2	Transaction Number	01 – 99	
	N/A	68	68	1	Dependency Status	TBD Discussion with FSA	
	N/A	69	118	50	Application Data Source/Type	Alpha, TBD descriptions with FSA	
	N/A	119	126	8	Application Receipt Date	Format is CCYYMMDD 20240101 to 20250930	

RESOURCES AND OUTREACH

TECHNICAL REFERENCE & GUIDE UPDATES



[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

Matching
Activity

- ISIR Record Layout
- Application Processing System Specs for Software Developers
- Test ISIRs

Spring 2023



Draft

Draft

Summer 2023



Fall 2023



Final

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](#)

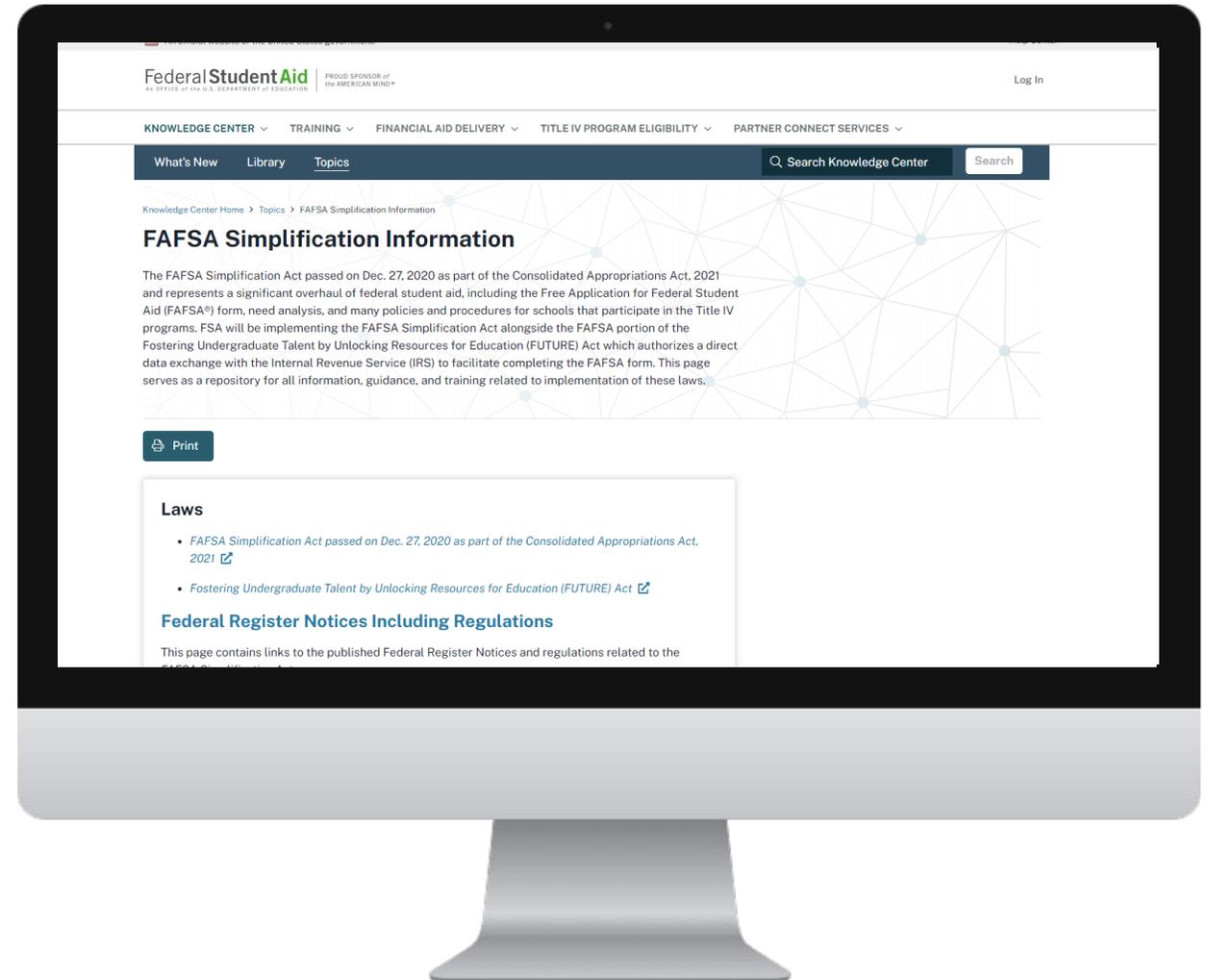
Get the most up-to-date information on implementation in the Knowledge Center “Topics” section.

Subscribe for email updates at Knowledge Center Home!

Knowledge Center Subscription

Subscribe to get the latest news and updates from the Knowledge Center.

[Subscribe](#)



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

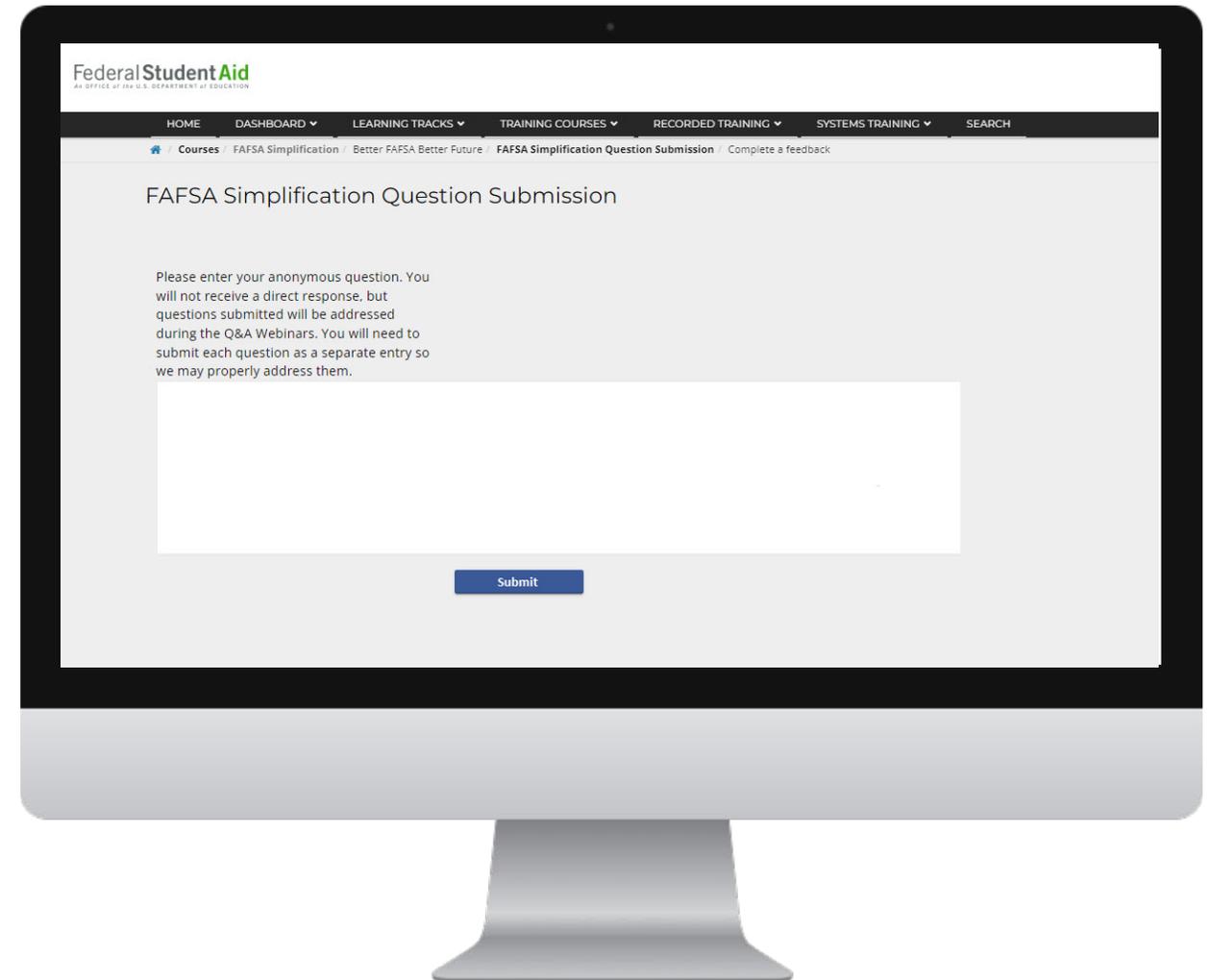
QUESTIONS?



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.



**THANK
YOU!**

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