

THE FAA's ROLE IN FAFSA® SIMPLIFICATION

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Training Officer
July 11, 2023

**BETTER
FAFSA®**
BETTER FUTURE

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

BETTER FAFSA® BETTER FUTURE SERIES

- ✓ 6/6: Better FAFSA® Better Future 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
- ✓ 6/27: Student Aid Index Part 2
- ✓ 7/6: Scheduled Pell: Minimum, Maximum, and In Between
- ☐ 7/11: The FAA's Role in FAFSA Simplification
- ☐ 7/13: Q&A Session 2
- ☐ 8/17: FAFSA Demonstration

FAFSA® SIMPLIFICATION

- First major redesign to the FAFSA form in 40 years
- Financial aid offices must understand and plan for all the impacts these changes bring



AGENDA

1. Key Roles
2. FAFSA® Updates
3. Processing and Packaging Changes
4. Reporting and Consumer Information
5. Collaboration with Partners

KEY ROLES

FSA's KEY ROLES

Technical solutions and re-engineered backend systems

Policy guidance and training to clarify legislative provisions

Education, outreach, and communication to students and families

YOUR KEY ROLES



**Assisting
Applicants with
the FAFSA[®]
Process**



**Updating Your
Policies,
Procedures, and
Operations**



**Collaborating
with Internal and
External Partners**

FAFSA[®] UPDATES

FAFSA[®] CONTRIBUTORS

1



Student

2



**Parent and
Other Parent**

3



**Student
Spouse**

PARENT INVITE

FAFSA
Loans & Grants
Repayment
Loan Forgiveness

Search
Notifications
User: Raya

Student **Raya Tran**

Save | FAFSA Menu

1 Personal Circumstances
2 Demographics
3 Financials
4 Colleges
5 Signature

Invite Parent(s) to This FAFSA® Form

We Need Information for One of Your Parents Now

Based on your answers in the previous section, you'll need to provide information about both of your parents on your FAFSA® form. This does not make them financially responsible for your education. Right now, you can invite one or both of your parents to your form and have them complete their required sections.

Enter information about the parent(s) identified on the prior page, and we'll send emails on your behalf.

Provide the parent's full legal name as it appears on their Social Security card. The email does not have to be the same as their account username and password (FSA ID).

Parent

Alcina Tran

Invite sent to Alcina Tran

Other Parent

Franklin Tran

Invite sent to Franklin Tran

Previous

Continue

We Need Information for One of Your Parents Now

Based on your answers in the previous section, you'll need to provide information about both of your parents on your FAFSA® form. This does not make them financially responsible for your education. Right now, you can invite one or both of your parents to your form and have them complete their required sections.

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Provide the parent's full legal name as it appears on their Social Security card. The email does not have to be the same as their account username and password (FSA ID).

Parent

First Name

Last Name

Date of Birth
Month Day Year
 ?

Social Security Number (SSN) Hide ⓘ

My parent doesn't have an SSN.

Email Address

Confirm Email Address

Send Invite

Other Parent
optional

First Name

Last Name

Date of Birth
Month Day Year
 ?

Social Security Number (SSN) Hide ⓘ

My parent doesn't have an SSN.

Email Address

Confirm Email Address

Send Invite

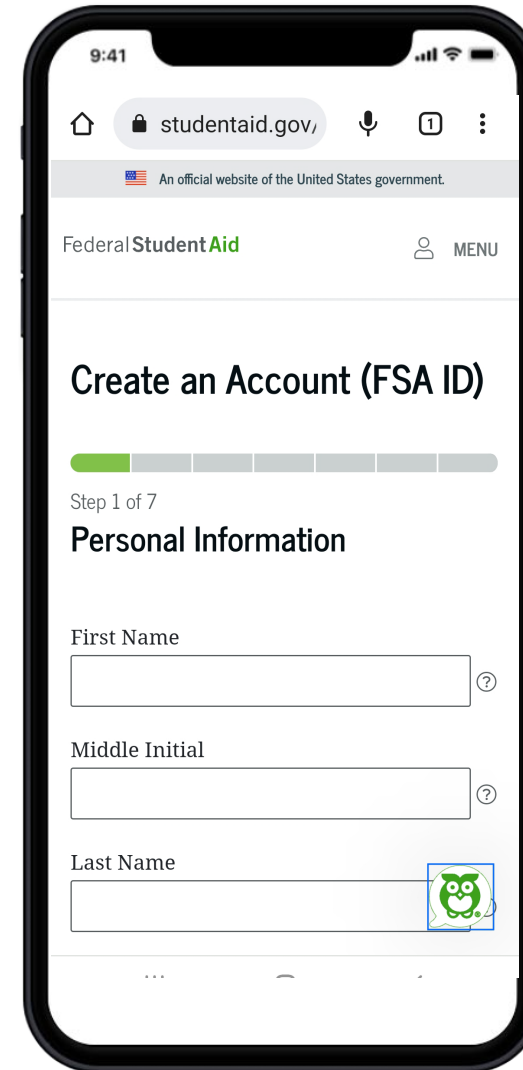
Previous

Continue

FSA ID

Be aware of new requirements

1. Two-step verification
2. All FAFSA® contributors must have an FSA ID to log into online form
3. New process to get an FSA ID for parents and spouses without a Social Security number



WAYS TO FILE THE FAFSA® FORM

1. All contributors complete online FAFSA process (recommended)
2. All contributors complete and mail PDF FAFSA form
3. Applicant completes online process and contributor(s) provides consent and signature on the FAFSA Submission Summary

FAFSA® DEMOGRAPHIC QUESTIONS

2023–24 FAFSA® Form

[FAFSA Home](#) |
 [Help](#) |
 [Save FAFSA Form](#) |
 [Review FAFSA Form](#) |
 [Reset FAFSA Form](#) |
 [Exit FAFSA Form](#)

✓ Student Demographics |
 ✓ School Selection |
 ✓ Dependency Status |
 ✓ Parent Demographics |
 ✓ Parent Financials |
 6 Student Financials |
 7 Sign & Submit

SIGN AND SUBMIT

Before you sign and submit, please answer a few questions about the student.

i These questions don't affect aid eligibility. Your answers to questions in this survey will not affect your eligibility for federal student aid and will not be used in any aid calculations.

What is your gender?

Male
 Female
 Nonbinary
 Decline to answer

Are you transgender?

Yes
 No
 Decline to answer

What is your ethnicity? *Choose all that apply.*

Not Hispanic nor Latino origin
 Cuban descent
 Mexican, Mexican-American, or Chicano descent
 Puerto Rican descent
 Other Spanish, Hispanic, or Latino origin
 Decline to answer

What is your race? *Select one or more races.*

White
 Black or African American
 Asian
 Chinese
 Filipino
 Asian Indian
 Vietnamese
 Korean
 Japanese
 Other Asian origin
 American Indian or Alaska Native
 Native Hawaiian or Other Pacific Islander
 Decline to answer

DEMOGRAPHIC QUESTIONS CONT.

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FAFSA FORM 2024-25 Student Raya Tran

Student Demographics

We'll ask questions about you and your parent(s). Some of these questions will help determine how much federal student aid you may be eligible to receive for school.

Previous Continue

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FAFSA FORM 2024-25 Student Raya Tran

Personal Circumstances Demographics Financials Colleges Signature

Student Race and Ethnicity

Questions Used for Research Purposes Only and Do Not Affect Federal Student Aid Eligibility

Your answers will not

- affect the student's eligibility for federal student aid,
- be used in any calculations, and
- be shared with the schools to which the student applies.

Is the student of Hispanic, Latino, or Spanish origin?

Select all that apply.

No, not of Hispanic, Latino, or Spanish origin

Yes, Mexican, Mexican American, or Chicano

Yes, Puerto Rican

Yes, Cuban

Yes, another Hispanic, Latino, or Spanish origin

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FAFSA FORM 2024-25 Student Raya Tran

Personal Circumstances Demographics Financials Colleges Signature

Student Demographic Information

Questions Used for Research Purposes Only and Do Not Affect Federal Student Aid Eligibility

Your answers will not

- affect the student's eligibility for federal student aid,
- be used in any calculations, and
- be shared with the schools to which the student applies.

What is the student's gender?

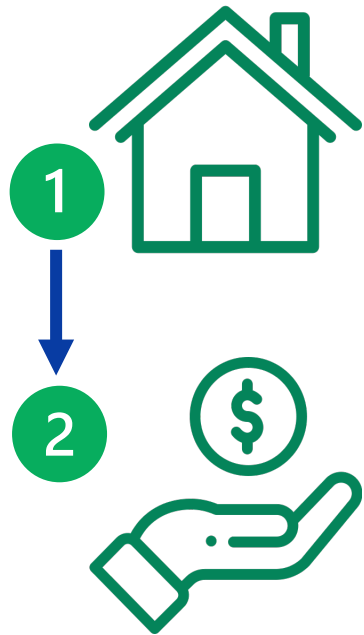
Male

Female

Nonbinary or another gender

DIVORCED PARENTS

2023-24 and earlier



2024-25 and beyond



HEA Citation: [475\(f\)\(2\)](#)



PARENT WIZARD

The screenshot shows the FAFSA Parent Wizard interface on a computer monitor. The page header includes the Federal Student Aid logo and navigation links for FAFSA, Loans & Grants, Repayment, and Loan Forgiveness. The user is logged in as Raya. The main content area is titled "Tell Us About the Student's Parents" and contains two questions with radio button options. The first question is "Are the parents married to each other?" with "No" selected. The second question is "Do the parents live together?" with "No" selected. A progress bar at the top indicates the current step is "Personal Circumstances" (1 of 5).

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

FAFSA FORM 2024-25 Student Raya Tran

Save | FAFSA Menu

1 Personal Circumstances 2 Demographics 3 Financials 4 Colleges 5 Signature

Tell Us About the Student's Parents

On the FAFSA® form, the "parent" is the student's legal (biological or adoptive) parent.

Are the parents married to each other?

Yes No

Do the parents live together?

Yes No



INDEPENDENT STUDENTS AND PARENT INFO



Department cannot collect parent information from independent students starting with the 2024-25 award year



Schools that use parent information for health professions programs or institutional aid programs will need to find a new method

FAMILY FARMS & BUSINESSES

Value of family farms and small businesses will no longer be excluded from assets (if family is required to report assets)

Net worth is value of business or farm minus any debts owed against it

HEA Citation: [480\(f\)\(1\)](#)



OTHER CHANGES TO ASSETS

Assets include child support received, investments, vacation homes, and derivatives

Education savings accounts for other children no longer counted

*HEA Citations: [480\(f\)\(1\)](#)
and [480\(f\)\(3\)\(B\)](#)*



INCOME EARNED FROM WORK

Only applies to U.S. tax filers

Not required to file U.S. tax return

→ automatic -1500 SAI

- Independent students
- Parents of dependent students



UNTAXED INCOME AND BENEFITS

ITEMS REQUIRED

- IRA deductions and payments to self-employed SEP, SIMPLE, and qualified plans
- Tax-exempt interest income
- Untaxed portion of IRA distributions and untaxed portion of pensions (excluding rollovers)
- Foreign income of U.S. citizens and permanent residents if that income was exempt from U.S. taxation or foreign income for which the individual received a foreign tax credit

ITEM REMOVED

- Payments to tax-deferred pensions and retirement savings plans
- Cash support (money received or paid on your behalf)
- Workman's compensation
- Housing/food allowance for military/clergy
- Veteran's noneducation benefits
- Child support received (now an asset)

HEA Citation: [480\(b\)](#) and [401\(b\)\(1\)\(D\)](#)

INCOME OFFSETS

EXCLUDABLE INCOME ITEMS

- Education credits (American Opportunity Tax Credit and Lifetime Learning Tax Credit)
- Taxable college grant and scholarship aid reported to the IRS as income
- Income earned from work under Federal Work-Study

ITEMS REMOVED

- Income earned from a cooperative education program
- Child support paid
- Special combat pay included in Adjusted Gross Income (AGI)
- Foster-care payments received from the Social Security Administration

HEA Citation: [480\(e\)](#)

LIVING EXPENSES

Room and Board → Housing and Food

HOUSING PLANS ON FAFSA® FORM

Department no longer allowed to ask about a student's housing choice on FAFSA form

HOUSING COMPONENT IN COST OF ATTENDANCE

Institutions must calculate for:

- On-campus
- Off-campus
- With parent

HEA Citations: [483\(a\)\(2\)\(B\)\(ii\)](#), [483\(a\)\(5\)](#), and [472\(a\)\(5\)](#)

[DCL GEN-22-15](#)

FAMILY SIZE AND NUMBER IN COLLEGE

- Family size determined using tax return data; can adjust if info has changed or does not reflect applicant's current family size
- Number in college no longer part of need analysis but question will remain on FAFSA® form

HEA Citations: [480\(k\)](#) and [475\(b\)](#)

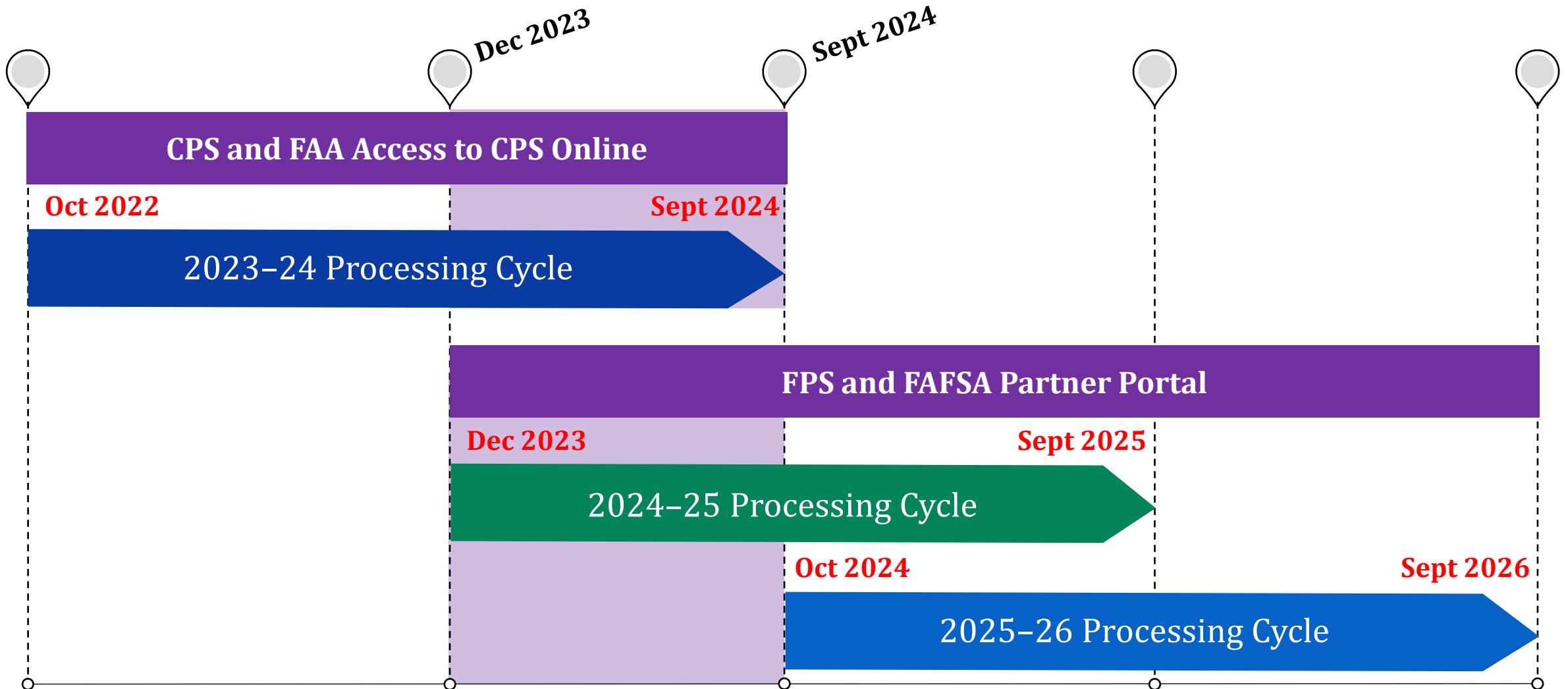


PROCESSING AND PACKAGING CHANGES

SYSTEM CHANGES

- FAFSA Processing System (FPS) will replace Central Processing System (CPS)
- FAFSA Partner Portal will replace FAA Access to CPS Online with a link available within Partner Connect
- Demo sites for the FAFSA Partner Portal and the online FAFSA[®] form will be available for training purposes
- Institutions will need a separate Student Aid Internet Gateway (SAIG) mailbox and upgraded SAIG software for Federal Tax Information (FTI) [EA GENERAL-23-40](#)

FAFSA® PROCESSING TIMELINES



FAA ACCESS → FAFSA® PARTNER PORTAL

- Cannot submit original/renewal applications on behalf of applicants
- Can continue to make corrections, professional judgments, and dependency overrides
- Provide Identify Verification results
- Portal will not display Federal Tax Information (FTI) but will display any data fields manually entered by an applicant

EDEXPRESS FOR WINDOWS

Department-provided financial aid management software

Can use EDEXpress to view and print ISIRs and Federal Tax Information (FTI) if you do not have your own system



FEDERAL WORK-STUDY (FWS)

FWS earnings are excludable income in the need analysis for Student Aid Index (SAI) calculation

FAFSA® form not allowed to ask for this figure so Department will collect it from schools via Common Origination and Disbursement (COD) system



REPORTING OF FWS TO COD



WHAT: student-level gross Federal Work-Study earnings for prior-prior calendar year



WHEN: report on annual basis in late summer or early fall for the prior calendar year



HOW: using a new campus-based schema in COD; COD sends wage info to FAFSA Processing System

HEA Citation: [483\(a\)\(2\)\(f\)](#)
COD Technical Reference: [EA COD-23-03](#)

RESTORATION FOR DISCHARGE

Pell Lifetime Eligibility Used (LEU)

LOAN DISCHARGE

- school closure
- false certification
- identify theft
- successful borrower defense claim

AUTOMATED PROCESS

- Pell LEU % adjusted in COD
- Email to affected students
- School file listing affected students available for download from the COD web

HEA Citation: [437\(c\)\(3\)](#) and [401\(d\)\(5\)\(ii\)](#)

YEAR-ROUND PELL GRANT

Starting with 2024–25
award year, at least half-
time enrollment no
longer required for
student to receive funds
from the additional 50%

HEA Citation: [401\(b\)\(9\)](#)



IASG & CFH CHANGES

Iraq and Afghanistan Service Grant (IASG) and Children of Fallen Heroes Scholarship (CFH)

MAXIMUM PELL ELIGIBILITY CRITERIA

- Student has not reached 33rd birthday as of the first January 1 of the processing year (January 1, 2024 for the 2024–25 year)
- Parent or guardian died in line of duty while
 - Serving on active duty as member of Armed Forces on or after September 11, 2001; or
 - Actively serving as public safety officer

HEA Citation: [401\(c\)](#)

IDENTIFYING ELIGIBLE STUDENTS

Students will self-identify on FAFSA® form if parent or guardian killed in line of duty



PROCESSING STEPS

Maximum Pell Grant for Students Whose Parent Died in the Line of Duty

FAA certifies eligibility in FAFSA® Partner Portal and FPS updates COD

Students disbursed funds under IASG or CFH prior to 2024–25 must be recertified

Once eligibility flagged in FAFSA® Partner Portal, recertification will not be needed

Previously separate IASG LEU included in the Pell Grant LEU

OTHER FINANCIAL ASSISTANCE

Estimated Financial Assistance (EFA) becomes Other Financial Assistance (OFA)

NOT COUNTED AS OFA

- Wages from non-need based employment
- Financial assistance provided by a state to offset a specific component of cost of attendance
- Veterans education benefits
- Distributions from college savings plans and prepaid tuition plans
- Payments or services provided to students currently in or formerly in foster care
- Emergency financial assistance

HEA Citation: [480\(i\)](#)

NEGATIVE STUDENT AID INDEX (SAI)

Can use negative SAI as a selection factor for institutional and state aid programs

For *Title IV* recipients, a negative SAI must be converted to 0 for packaging purposes



NEED AND NON-NEED BASED AID

Cost of Attendance (COA)

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

= Need-Based Eligibility

Cost of Attendance (COA)

- Other Financial Assistance (OFA)
-

= Non-Need-Based Eligibility

ALTERNATE EFC

For packaging periods other than 9 months

- Concept of alternate EFC/SAI was eliminated
- Must use the calculated SAI for all packaging purposes
- If packaging for a period other than 9 months, school should still set cost of attendance (COA) accordingly



DEPENDENT STUDENTS WITHOUT UNUSUAL CIRCUMSTANCES

PROCESSING

1. FAFSA form rejected, and Student Aid Index not calculated
2. FAA follows up with student and collects documentation to award unsubsidized loan only

DOCUMENTATION

1. the student's parents refuse to complete the FAFSA form **OR**
2. the student's parents do not and will not provide any financial support

HEA Citation: [479\(A\)\(a\)\(4\)](#)
[2023-24 AVG Chapter 5](#)

NO ADDITIONAL FORMS

EXCEPTIONS

- ✓ Verification
- ✓ Determination of independence
- ✓ Professional judgment

HEA Citation: [483\(d\)\(6\)](#)



REPORTING AND CONSUMER INFORMATION



STATE AND INSTITUTIONAL AID

New reporting requirement for the Department

ED TO PUBLISH LISTS OF STATES AND INSTITUTIONS THAT

1. Do not require additional information beyond FAFSA® elements
2. Require asset information from students otherwise exempt
3. Require additional financial information

HEA Citation: [483\(a\)\(6\)](#) and [483\(a\)\(7\)](#)

EARLY AWARENESS

HEA [485E](#) states
the Department must:



Develop early
awareness
outreach plans

Provide early
estimates of Pell
Grants and other
aid



Implement public
awareness
campaign



FEDERAL STUDENT AID ESTIMATOR

Newly redesigned tool at
StudentAid.gov/aid-estimator
scheduled to go live in
September 2023



Good news! The student may be eligible for federal student aid.



Estimates

These results are based on a new method—the Student Aid Index (SAI)—an index to determine federal student aid eligibility.

Approx. Estimated Federal Student Aid
\$13,310

Federal student aid from the U.S. Department of Education (ED) helps cover expenses such as tuition, fees, books, supplies, food, housing, and travel—but it is not the only source of funding for the students' college costs. Scroll down to the "Other Factors to Consider" section to see some additional options that may help students lower their college costs.

Estimated Pell Grant Award	Maximum Available Direct Loans	Average Work-Study
\$2,345	\$9,500	\$1,465

These estimates are all approximate calculations.

[More information about these numbers](#) ▾

Estimated Student Aid Index (SAI)

SAI is an eligibility index number that the financial aid office of the college uses to determine how much federal student aid the student would receive if the student attended their school. Taking into consideration the student's or parent's income and assets, a need-based analysis generates an estimated SAI value.

Estimated Student Aid Index (SAI)
3,821

NET PRICE CALCULATOR

U.S. Department of Education
Net Price Calculator Center

Search for Schools' Calculator

Begin typing to search for schools

What does Net Price mean?
Net Price is the amount that a student pays to attend an institution in a single academic year AFTER subtracting scholarships and grants the student receives. Scholarships and grants are forms of financial aid that a student does not have to pay back.

What is a Net Price Calculator?
Net price calculators are available on a college's or university's website for prospective students to enter information about themselves to find out how much they would like them paid to attend the institution in the previous year, after taking out all scholarship aid into account.

How do other students describe net price?

Net Price Calculator -
Typography Video
By Brian Schwabauer

Justin, Remo, Bilyana
Net Price Calculator
Video
By Michael Kirby, Remo
Kommnick, John Remmes,
Bilyana Petrova

U.S. Department of Education
Net Price Calculator [Click for Help](#)

Net Price Calculator Help Desk (877) 299-3593 or npc@inovas.net

Net Price Calculator Center

Welcome to the Net Price Calculator application. This application will assist you in setting up a Net Price Calculator to post on your institution's website as required in the Higher Education Opportunity Act of 2008 (see HEOA Sec. 111 which amended HEA Title I, Part C: added HEA Sec. 132(a), Sec. 132(h) (20 U.S.C. 1015a(a), 20 U.S.C. 1015a(h))).

Before proceeding, please download and review the Quick Start Guide and accompanying glossary of key terms (select the click for help link on the top right of the screen), for assistance with correctly inputting data and setting up your institution's net price calculator. Once you are ready, click on the Continue button below to begin.

Note: The Higher Education Opportunity Act defines net price as the net price for full-time, first-time degree/certificate-seeking students. Title IV institutions that do not enroll full-time, first-time students are not required to have a net price calculator under the HEOA.

CONTINUE

[Net Price Calculator Search Tool](#)

[Net Price Calculator Information Center](#)

COLLABORATION WITH PARTNERS

EDUCATING YOUR PARTNERS

Admissions and Recruitment Staff

[StudentAid.gov](#)
[Webinars](#)

High School Counselors

[Financial Aid](#)
[Toolkit for](#)
[Counselors](#)

College Access Professionals

UPDATING SENIOR LEADERSHIP

FAFSA[®] simplification implementation may require advocating for more staff, additional training for campus partners, and funds for system and software enhancements

[EA GENERAL-23-21](#)



WORKING WITH TECHNICAL STAFF

**ISIR Processing
and Aid
Packaging**

**Student
Communication
(emails, letters,
forms)**

**Consumer
Information and
Websites**

RESOURCES

FAFSA[®] SPECIFICATIONS GUIDE

1	Summary of Changes	2	FPS Schedule and Getting Help	3	Electronic Data Exchange and FAFSA Processing
4	Record Layouts and Processing Codes	5	Edits and Rejects	6	ISIR Guide
7	Comment Codes	8	Agency Matches	9	Testing and Web Demo System

KNOWLEDGE CENTER

[FAFSA Simplification Information](#)

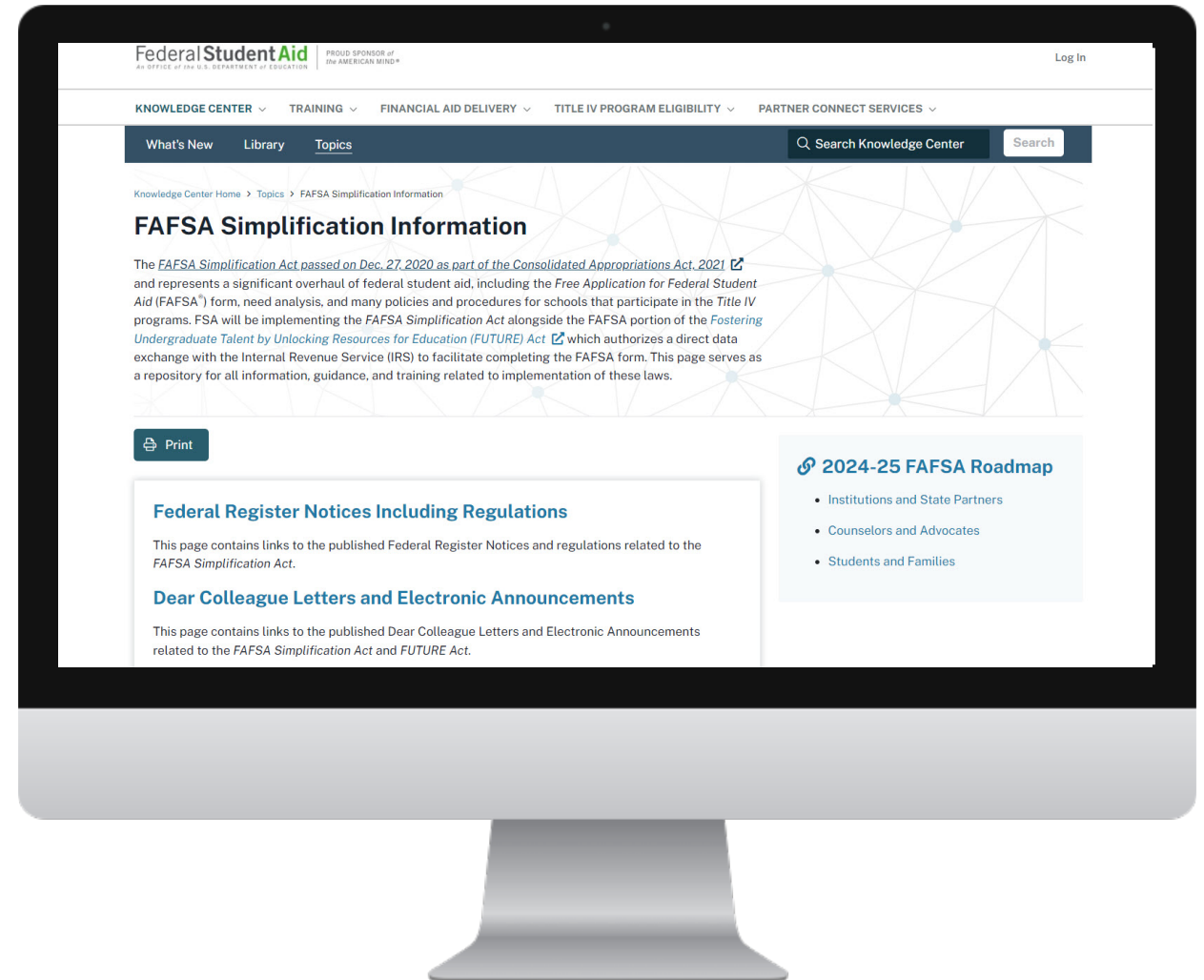
Get the most up-to-date information on implementation in the Knowledge Center “Topics” section.

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Knowledge Center Subscription

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

Subscribe



Q&A SESSION 2

THURSDAY, JULY 13

Join us for Q&A Session 2 when we will answer questions from previous sessions and field additional questions about Better FAFSA® Better Future implementation.

For a complete list of upcoming webinars, visit the [FSA Training Center](#).



FEEDBACK SURVEY



<https://www.surveymonkey.com/r/WWFAAR>

Survey open until July 11, 2024

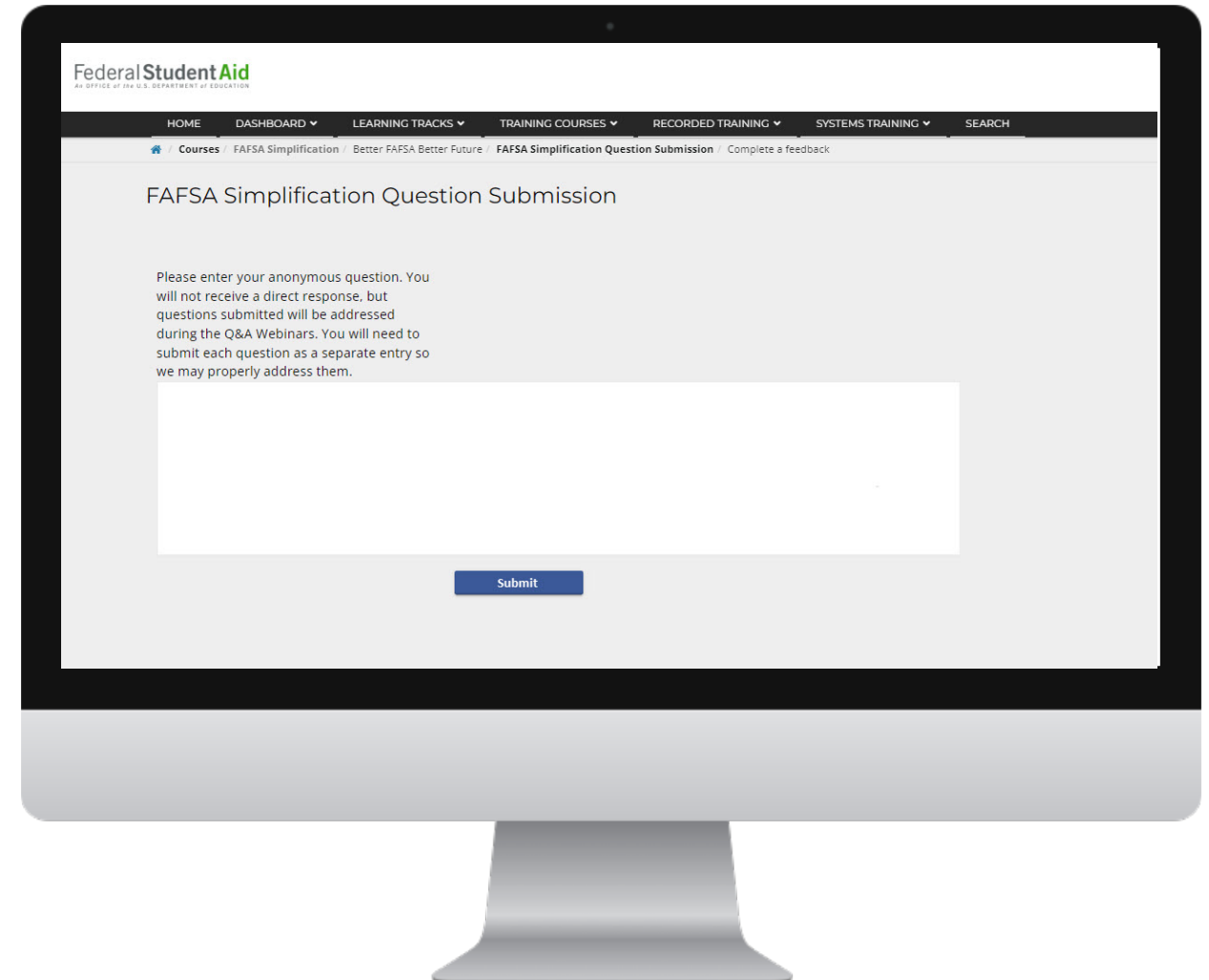
QUESTIONS?



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 final Q&A webinar on July 13.



**THANK
YOU!**

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