THE FAA’s ROLE IN FAFSA® SIMPLIFICATION

Sara Vancil
Training Officer
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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® CONTRIBUTORS

1. Student
2. Parent and Other Parent
3. Student Spouse
PARENT INVITE

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

Parent

First Name

Last Name

Date of Birth
Month
Day
Year

Social Security Number (SSN)

My parent doesn’t have an SSN.

Email Address

Confirm Email Address

Send Invite

Other Parent

First Name

Last Name

Date of Birth
Month
Day
Year

Social Security Number (SSN)

My parent doesn’t have an SSN.

Email Address

Confirm Email Address

Send Invite
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

SIGN AND SUBMIT

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

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.
DIVORCED PARENTS

2023–24 and earlier

HEA Citation: 475(f)(2)

2024–25 and beyond
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
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)
FAFSA® PROCESSING TIMELINES

2023–24 Processing Cycle
- Oct 2022
- Sept 2024

CPS and FAA Access to CPS Online
- Dec 2023

2024–25 Processing Cycle
- Dec 2023
- Sept 2025

FPS and FAFSA Partner Portal
- Oct 2024
- Sept 2026

2025–26 Processing Cycle
• 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 33\textsuperscript{rd} 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:

- Provide early estimates of Pell Grants and other aid
- Develop early awareness outreach plans
- Implement public awareness campaign
FEDERAL STUDENT AID ESTIMATOR

Newly redesigned tool at StudentAid.gov/aid-estimator scheduled to go live in September 2023
Net Price Calculator Search Tool

Net Price Calculator Information Center
COLLABORATION WITH PARTNERS
EDUCATING YOUR PARTNERS

- Admissions and Recruitment Staff
- High School Counselors
- College Access Professionals

StudentAid.gov Webinars
Financial Aid Toolkit for Counselors
UPDATING SENIOR LEADERSHIP

FAFSA® simplification implementation may require advocating for more staff, additional training for campus partners, and funds for system and software enhancements.
WORKING WITH TECHNICAL STAFF

- ISIR Processing and Aid Packaging
- Student Communication (emails, letters, forms)
- Consumer Information and Websites
FAFSA® SPECIFICATIONS GUIDE
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!
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
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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