Financial Aid
Federal Update 2024-25

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Ready. Set. Joe's.

Agenda

- FUTURE Act and FAFSA Simplification Act

- SAI replaces EFC

- Changes to Pell Grant Eligibility

- 2024-25 FAFSA® Updates

- Information and Resources

- Q & A

Future Act

- Public Law Number 116-260

- Signed into law December 27, 2020

- Expands access to federal student aid, and mandates Federal Student Aid to use data directly from the IRS
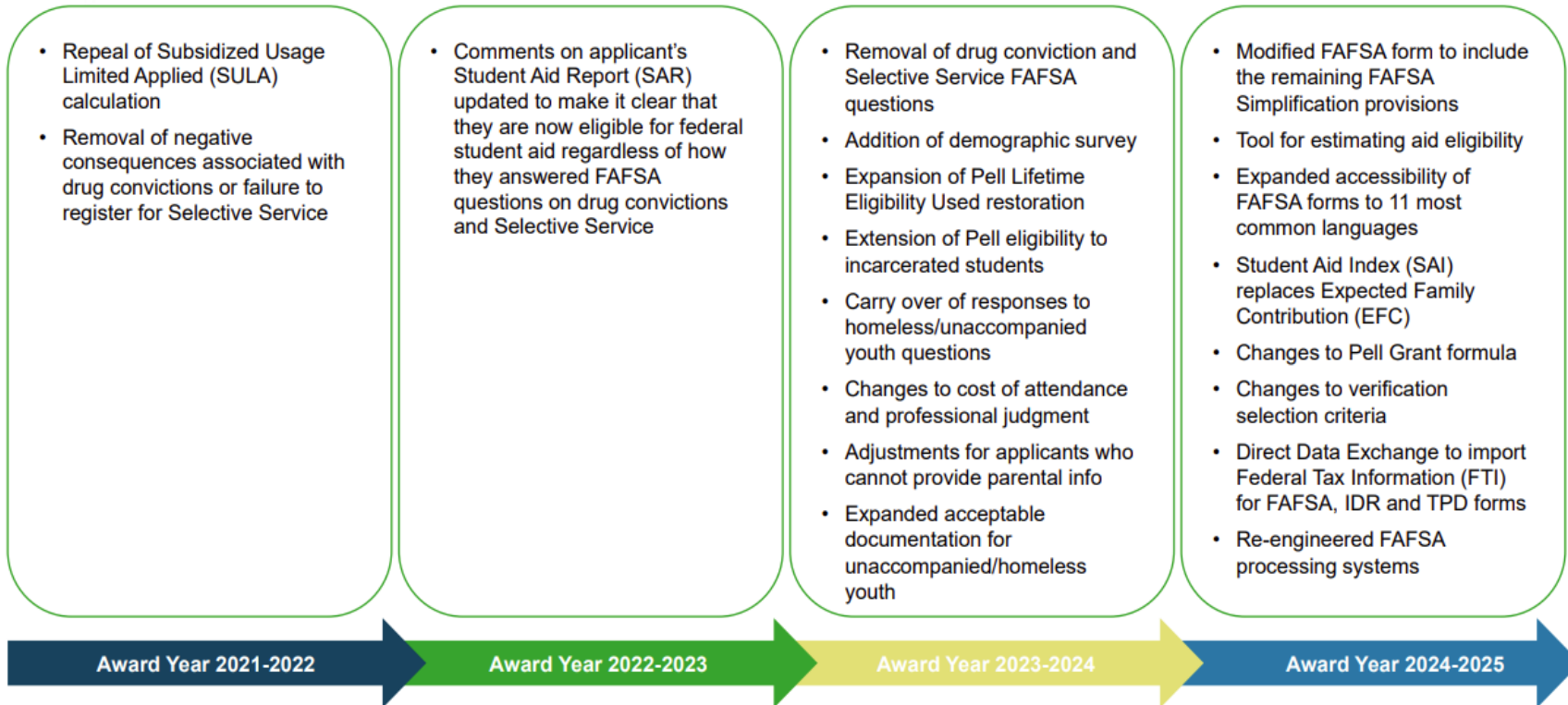
FAFSA Simplification Act

- Public Law Number 116-260

- Signed into law December 27, 2020

- Introduces significant changes to the FAFSA®form, how students and families will complete the application, and the eligibility calculation

FAFSA Simplification Phased Implementation

FAFSA® Simplification Phased Implementation

Award Year 2021-2022
- Repeal of Subsidized Usage Limited Applied (SULA) calculation
- Removal of negative consequences associated with drug convictions or failure to register for Selective Service

Award Year 2022-2023
- Comments on applicant's Student Aid Report (SAR) updated to make it clear that they are now eligible for federal student aid regardless of how they answered FAFSA questions on drug convictions and Selective Service

Award Year 2023-2024
- Removal of drug conviction and Selective Service FAFSA questions
- Addition of demographic survey
- Expansion of Pell Lifetime Eligibility Used restoration
- Extension of Pell eligibility to incarcerated students
- Carry over of responses to homeless/unaccompanied youth questions
- Changes to cost of attendance and professional judgment
- Adjustments for applicants who cannot provide parental info
- Expanded acceptable documentation for unaccompanied/homeless youth

Award Year 2024-2025
- Modified FAFSA form to include the remaining FAFSA Simplification provisions
- Tool for estimating aid eligibility
- Expanded accessibility of FAFSA forms to 11 most common languages
- Student Aid Index (SAI) replaces Expected Family Contribution (EFC)
- Changes to Pell Grant formula
- Changes to verification selection criteria
- Direct Data Exchange to import Federal Tax Information (FTI) for FAFSA, IDR and TPD forms
- Re-engineered FAFSA processing systems

SAI Replaces EFC

- Expected Family Contribution (EFC) is being retired

- Starting with 24-25 application cycle, FAFSA will calculate Student Aid Index (SAI) using SAI formulas

- Will determine eligibility for certain types of federal student aid (similarly to EFC, except for Maximum or Minimum Pell)

- SAI can be a negative number as low as -$1500

- Elimination of Simplified Needs Formula and Auto Zero EFC
  - Certain applicants will have assets excluded form their SAI calculation based on income, tax filing status, and receipt of a benefit from a federal means-tested benefit program.

SAI Replaces EFC

- Changes to the SAI calculation formula
  - Business/Farm assets (all businesses and family farms regardless of size)
  - Education Savings Plans for Dependent Students
    - Will only be counted as a parent asset if the account is for the designated student
  - Child Support
    - Child support received will be reported as an asset as opposed to income
    - Report the amount received in the last complete calendar year
    - Child support paid is no longer an allowance against income
  - While the question remains on the application, # in college will no longer be considered
  - # of Family will import from the exemptions on the tax return
    - Will be able to make manual adjustments if necessary

2024-25 Pell Grant Eligibility

- Maximum and Minimum Pell determined by income, family size and poverty levels
  - Applicants will be flagged on the ISIR (Institutional Student Information Record) if they qualify for Maximum or Minimum Pell
  - Determined by SAI if neither Maximum nor Minimum Pell eligible
    - Pell Grant=Maximum Scheduled Pell – Calculated SAI
- Adjusted for enrollment intensity

2024-25 FAFSA Updates

- Release of application is delayed
  - Will be available "by" Dec. 31, 2023
  - Information will not be received by colleges until end of January
    - Will result in delays to financial aid offers for most colleges
  - Applicants will not receive FAFSA submission summary (confirmation) until end of January
  - Applicants will not be able to make corrections (i.e. add additional school codes) until end of January
- No link to prefilled NY State application for 2024-25
  - Will be a link on FAFSA confirmation page, will not be prefilled
  - 2024-25 NY State application is available now https://www.tap.hesc.ny.gov/totw/
  - Student must complete the FAFSA at some point

2024-25 FAFSA Updates

- Updated user experience and form
  - Web-first experience prioritizes the online form, but students can still file on paper
  - Amount of questions are reduced
  - Available in the 11 most frequently spoken languages by English learners in the U.S.
    - Spanish, Chinese, Tagalog, Vietnamese, French, Arabic, Korean, Russian, German, Haitian, and Hindi
- Users will need an FSA ID to access the application
  - No ability to start the form with just student identifiers
  - All contributors will need an FSA ID
  - New process for users with no SSN to create FSA ID

2024-25 FAFSA Updates

- FSA ID for users with no SSN
  - New check box field to indicate user does not have a SSN
  - User will provide a username, e-mail address and password
  - Answer knowledge-based verification questions to verify identity
    - If identity is not verified via knowledge-based questions must call FSAIC
    - User will then receive and e-mail and submit required to documentation
      - Completed attestation form
      - Proof of identity (driver's license, state or city ID card, foreign passport or a utility bill plus a municipal ID, community ID or consular ID card)
      - 1-3 days after submitting, will receive e-mail confirming identity has been verified

2024-25 FAFSA Updates

- The application will be very role-based
  - Student, Parent and Parent Spouse, Student Spouse, Preparer
  - Student's dependency, marital, and tax filing statuses will determine if additional contributors are required
- There will be no more save key
- List of colleges expanded to 20
- IRS DRT will be replaced with FA-DDX (FUTURE Act Direct Data Exchange)

2024-25 FAFSA Updates

- Consent is required to:
  - Retrieve Federal Tax Information from the IRS on behalf of an applicant, parent, parent spouse, and student spouse, and;
  - To disclose that information to state entities, institutions, and scholarship organizations.
- Consent will need to be captured for all contributors to the FAFSA form
  - Regardless of whether or not they filed a tax return in the base year
- If any contributor fails to provide consent, submission will still be permitted, but eligibility will not be calculated
  - The student will not be eligible for federal aid and possibly not eligible for certain types of institutional aid (if school requires a SAI)

2024-25 FAFSA Updates

- Contributors
  - For dependent students contributors could be biological parent(s), adoptive parent(s), or a step-parent
    - If parents are married and file MFJ, only one parent contributor is required
    - If parents are married and file taxes other than MFJ, or parents are not married but live together, both parents would be contributors
  - For independent students contributor could be their spouse
    - If student is married and files MFJ, spouse does not need to be a contributor
    - If student is married and files other than MFJ, spouse will need to be a contributor
  - Student must invite their contributor(s) to complete their section of the FAFSA
    - Must provide name, date of birth, SSN, and e-mail address
    - Parent can also start the application and invite their student as a contributor
    - Reminder e-mails will be sent to invited contributors, after 45 days if no action is taken, the application will be purged

2024-25 FAFSA Updates

2024-25 FAFSA Updates

- Parent Wizard-Who's My Parent?
  - If parents are married report information for both
  - If parents are not married, but live together, report information for both
  - If parents are not married and do not live together, report information for parent who provided more support (past 12 months)
    - If this parent is remarried, also report information for step-parent
  - If parents are not married and do not live together, and both provide exact equal support, report information for the parent with the greater income and assets
    - If this parent is remarried, also report information for step-parent

2024-25 FAFSA Updates

- Provisional Independence
  - Application will no longer be rejected for students who would otherwise be dependent and are unable to provide parent data
  - Students will be able to indicate they have unusual circumstances, submit the FAFSA, and receive a provisional independent status, provisional SAI, and estimate of federal aid eligibility
  - Aid administrators will work with students to collect documentation and determine if they should receive the dependency override

Resources

Federal Student Aid Financial Aid Toolkit-Better FAFSA Better Future

https://financialaidtoolkit.ed.gov/tk/announcement-detail.jsp?id=better-fafsa-better-future

- 2024-25 FAFSA Form Preview Presentation
- 2024-25 FAFSA Prototype
- Various fact sheets and webinars available

Federal Student Aid YouTube Channel

https://www.youtube.com/user/FederalStudentAid

NASFAA FAFSA Simplification Web Center

https://www.nasfaa.org/fafsa_simplification

New York State Financial Aid

www.hesc.ny.gov

https://startheregetthere.ny.gov/