


2024-25 Federal Financial Aid Update


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Agenda


- FUTURE Act and FAFSA Simplification Act
- SAI replaces EFC
- Changes to Pell Grant Eligibility
- 2024-25 FAFSA® Updates
- Information and Resources



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FUTURE Act

- Fostering Undergraduate Talent by Unlocking Resources for Education Act (FUTURE Act) – Passed December 2020
- Expands access to federal financial aid
- Mandates Federal Student Aid use data directly from the IRS



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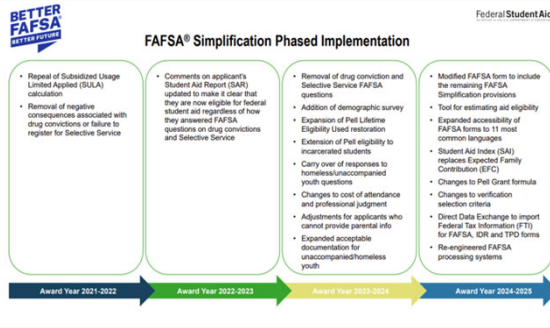
FAFSA Simplification Act

- Signed into law December 2020
- Introduces significant changes to the FAFSA form
 - Eligibility calculation
 - More Pell Grant to needier students
 - Student experience completing the form
 - Fewer questions, more responses



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FAFSA Simplification Phased Implementation



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SAI Replaces EFC

- Expected Family Contribution (EFC) replaced with Student Aid Index (SAI)
- EFC and SAI is the number used to determine aid eligibility
- SAI formulas will change with 24-25 application cycle
 - Simplified Needs Formular & Auto Zero EFC eliminated
 - Assets excluded from SAI formula for applicants within certain income thresholds, tax filing status, & receipt of federal means tested benefit programs (SNAP, Medicaid, ect.)
- SAI can be as low as -\$1500
 - Negative SAI provides a higher Pell Grant award



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SAI Formula

- Changes to the SAI formula
 - Includes all businesses and family farms regardless of size
 - 529 Education Savings Plans counted as parent asset for the student
 - Child Support
 - Child support received reported as an asset, not 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, number in college is no longer included in the formula
 - Number in the family imported from the exemptions on tax return
 - Will be able to make manual adjustments if necessary



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2024-2025 Pell Grant Eligibility

- Maximum and minimum Pell determined by income, family size and poverty levels
 - Applicants are 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
 - Full-time, half-time, ¾ time, or less than half time



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2024-2025 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 pre-filled 2024-2025 TAP application from FAFSA link
 - 2024-25 NY State application is available now <https://www.tap.hesc.ny.gov/totw/>
 - Student must complete the FAFSA at some point



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2024-2025 FAFSA Updates

- Updated user experience and form
 - Web-first experience prioritizes the online form, but students can still file on paper
 - Number of questions reduced
 - Available in the 11 most frequently spoken languages by English learners in the U.S.
 - Spanish, Mandarin, Tagalog, Vietnamese, French, Arabic, Korean, Russian, German, Haitian Creole, 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

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2024-2025 FSA ID Updates

- FSA ID for users with no SSN
 - New check box field to indicate user does not have SSN
 - User will provide a username, e-mail address and password
 - Answer knowledge-based questions to verify identity
 - If identity is not verified via knowledge-based questions must call FSAIC
 - User will then receive an e-mail and submit required 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

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2024-2025 FAFSA Form

- The FAFSA form 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
- No more save key
- College list expanded to 20
- IRS DRT replaced with FA-DDX (FUTURE Act Direct Data Exchange)

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2024-2025 FAFSA Form

- Consent required to:
 - Retrieve Federal Tax Information (FTI) from the IRS for applicant, parent, parent spouse, and student spouse, **and**;
 - To disclose FTI information to state entities, institutions, and limited scholarship organizations.
- Consent required for all contributors on the FAFSA form
 - Must consent even if they did not file taxes 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)

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Contributors

- **Contributors**
 - 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
 - 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 needs to be a contributor
- Student must invite contributor(s) to complete their section of the FAFSA
 - Must provide name, date of birth, SSN, and e-mail address
 - Parent can start the application and invite their child as a contributor
 - Reminder e-mails sent to invited contributors,
 - Application purged after 45 days if no action is taken.

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2024-2025 FAFSA Sample View

The screenshot displays the 'Understanding the FAFSA Form' page, specifically the 'Contributors to the FAFSA Form' section. It includes two main columns: 'Parents or Spouses' and 'How to Invite'. The 'Parents or Spouses' section states that their answers on the FAFSA form will determine if any contributors need to be identified. The 'How to Invite' section explains that contributors will need to log in with their own FSA ID to provide their information. Below these sections, there is a list of 'Information or Documents You May Need' such as tax returns, records of child support, and current balances of cash, savings, and checking accounts. Navigation buttons for 'Previous' and 'Continue' are visible at the bottom of the page.

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Who Is the Parent on the FAFSA?

- 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

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New Dependency Question

- Provisional Independence
 - Application no longer rejected for students who would otherwise be dependent and unable to provide parent data
 - Student 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

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2024-2025 FAFSA 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
- NASFAA FAFSA Simplification Web Center
 - https://www.nasfaa.org/fafsa_simplification
- New York State Financial Aid
 - www.hesc.ny.gov

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