KASFAA Virtual Training
2023 - 2024

FAFSA Changes Highlights
CHAPTER ONE
OVERVIEW OF FAFSA CHANGES

23-24 FAFSA
01 – Opened October 1
02 – FSAID – Student + 1 Parent Listed on the FAFSA
03 – FSAID Not Required to Start
04 – Either Student or Parent Could Complete Entire FAFSA Except Signature
05 – IRS Data Retrieval Tool
06 – Expected Family Contribution
07 – List Up to 10 Colleges
08 – Signature Page Option

24-25 FAFSA
01 – Opened Mid-Late December
02 – FSAID – Student + All Contributors
03 – FSAID Required to Start
04 – New Terminology
05 – Role Based Completion
06 – Consent
07 – IRS Direct Data Exchange
08 – Fewer Questions
09 – Provisional Independent Student
10 – Assets
11 – List Up to 10 Colleges
12 – Student Aid Index
13 – No Signature Page Option
14 – Enrollment Intensity

CONTRIBUTOR – any individual required to provide consent and approval for federal tax information along with their signature on the FAFSA form, including the student; the student’s spouse; a biological or adoptive parent; or the parent’s spouse (stepparent).

NEW TERMINOLOGY

CONTINGENT – each contributor must provide their consent. No Consent = no financial aid.

ROLE BASED – each contributor will need to complete their own section on the FAFSA.

FTI – Federal Tax Information – Information pulled directly from the IRS Direct Data Exchange.

FAFSA SUBMISSION SUMMARY – Replaces the Student Aid Report (SAR).

UNUSUAL CIRCUMSTANCES – conditions that justify a financial aid administrator making an adjustment to a student’s dependency status, based on an unusual situation.

UNEXPECTED INDEPENDENT STUDENT – Students with unusual circumstances can be assigned this status and receive an estimated SAI. Schools must follow up.

FAIMY SIZE – Replaces the term household size.

SPECIAL CIRCUMSTANCES – extenuating situations that impact the student’s financial condition, such as loss of income.
WHAT CONTRIBUTORS NEED TO COMPLETE THE FAFSA

- FSAID
- TAX RETURNS
- ASSETS
- COLLEGES
- FEDERAL BENEFITS
What We Don’t Know

01 FSAID PROCESS
What will the process look like for individuals without a Social Security Number?

02 MANUAL PROCESS
What will the manual income and tax information entry process look like?

03 COMMENT PERIOD
Will specific questions as in the FAFSA have changed based on feedback from the open comment period?

04 VERIFICATION
What will verification look like in the future? More? Less?

CHAPTER TWO
STUDENTAID.GOV ACCOUNT
(formerly known as FSA ID)

Who Needs an Account?
Dependent Student Example

Student
Name = Applicant

Parent
Name = parent contributor

Parent’s Partner or Spouse (maybe)
Name = parent contributor

Did Parent and Parent’s Partner or Spouse file taxes jointly in base tax year (2022)?

Yes

No

Parent will need account to provide approval and consent

Parent’s Partner or Spouse will need account to provide approval and consent

Yes

No

Only one parent contributor will need account to provide approval and consent

Parent will need account to provide approval and consent

Parent’s Partner or Spouse will need account to provide approval and consent
Who Needs an Account?

Independent Student Example

Student
Role = Applicant

Student Spouse (maybe)
Role = spouse contributor

Did Student and Student’s Spouse file taxes jointly with each other in base tax year (2022)?

No
Student’s spouse will need account to provide approval and consent

Yes
Only student will need account to provide approval and consent

Account Creation

- https://studentaid.gov/fsa-id/create-account/launch
- Process remains virtually unchanged for those with a Social Security Number
- Account will require a verifiable email address
- Account must be created AND verified through Social Security Administration before the FAFSA can be completed
- Verification process is up to 3 business days

Account Creation without an SSN

- Will check “I don’t have a Social Security Number” box
- Will answer a series of knowledge-based identity questions
- If user passes the knowledge-based process, account created and able to use immediately
- If user fails the knowledge-based process, additional process will be available to create account
- Provide Federal Student Aid with identity documents
- If cannot create an account, a paper FAFSA will need to be submitted
You can start your FAFSA, but cannot provide approval and consent until the SSA database match has been successfully completed.

What if I don’t create my account early?

If you have a social security number, now. Just remember to keep your user name and password in a safe location.

When should I create my account?

No. Since your account is tied to your SSN, you cannot create a second account.

Do I need to create a new account if I have an FSA ID already?

No. It is important that only the account owner has control of their user name and password information since this is how approval and consent is provided to the IRS.

Can my parent create my account for me?

No. It is important that only the account owner has control of their user name and password information since this is how approval and consent is provided to the IRS.
WHO IS MY PARENT? DIVORCED OR SEPARATED

- Parent of Record is no longer the residential parent
- Parent of Record will now be the parent who provides more than 50% of the financial support for the student in the preceding 12 months
  - If it is an even 50/50 split, it is then the parent who has the greater income or assets
- How does child support factor into the more than 50%?
  - The amount of child support is contributed to the parent paying child support when calculating who is providing more than 50% of the student’s support

DEPENDENT STUDENT: TELL US ABOUT YOUR PARENTS

The student is asked to enter in personal information about their parents in order to send them an invite to their FAFSA form.

DEPENDENT STUDENT: INVITES PARENTS TO FAFSA FORM

The student is asked to enter in personal information about their parents in order to send them an invite to their FAFSA form.
Scenarios

01 Parents married to each other
Would need to invite one parent. Could invite the other parent if first one fails to complete. Both will have info listed on FAFSA.

02 Parents divorced or separated
Would need to invite one parent who is providing more than 50% of financial support.

03 Parents not married but live together
Would need to invite one parent. Could invite the other parent if first one fails to complete. Both will have info listed on FAFSA.

04 Parent of record remarried
Spouse will need to be included on FAFSA. Parent will send invitation if spouse needs to be a contributor for approval and consent.

CHAPTER FOUR
UNUSUAL CIRCUMSTANCES

- Born before January 1, 2001
- Married
- Active Duty Veteran
- Children or Other Dependents
- Orphan
- Ward of the Court
- Foster Care
- Emancipated Minor
- Legal Guardianship
- Homeless
If the student selects yes, they will be allowed to submit the FAFSA without parental information and assigned a status of Provisional Independent Student. An unofficial SAI will be calculated, but the student must follow up with the school. A Financial Aid Administrator will make a determination regarding dependence.

If the student does not have unusual circumstances, but their parent is unwilling to provide their information, Parental information is skipped, and the student has the option to receive a Direct Unsubsidized Loan only. NO PELL GRANTS, NO SUBSIDIZED LOAN. The student is considered a Provisionally Independent student and must follow up with their college.
Have students follow up with the colleges to see what documentation they will need to confirm their unusual circumstance because until the student’s circumstances are verified and documented by the student’s financial aid office, they will not have an official EFC calculated. Therefore, no eligibility.

Financial Aid Offices are required to follow up with Provisionally Independent Students 60 days after enrollment.

Please come to our session on October 17th 9:30-11 for a deep dive into the upside down of Unusual & Special Circumstances.

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**CHAPTER FIVE**

**FAFSA CHANGES**

For 2024-2025, the form will now ask if the family size is different than the number of individuals claimed on their 2022 taxes.

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**FAMILY SIZE**

For 2024-2025, the form will now ask if the family size is different than the number of individuals claimed on their 2022 taxes.
Although the FAFSA will still ask for number in college, the formula to determine a student's aid eligibility will no longer take the number in college into consideration.

This may cause some students to lose aid eligibility that they were previously receiving.

Students can now select up to 20 colleges on their FAFSA.

QUESTIONS LEAVING THE 2024-2025 FAFSA

- HOUSING CHOICE (ON-CAMPUS, OFF-CAMPUS, WITH PARENT)
- Untaxed income that does not appear on 1040
- Federal Work-Study Question
- Taxable Earnings from Need-Based Employment
- Student's Driver's License Number and State
- Highest Scheduling Complete by Parent
- College Degree or Certificate the Student Will Work on When They Begin the School Year
- If a Schedule 1 was Filed
- Dislocated Worker
01 How the SAI formula is different

- Reduces number of income items and allowances against income
  - Income Protection Allowance is higher
- Changes items included as assets
  - Child support received in most recent calendar year
- Net worth of all businesses and for-profit farms
- Changes definition of Family Size
- Removes number in college
- Allows for negative SAI up to -1500
- No allowance to prorate SAI for periods other than nine months
- Implements separate Pell grant eligibility determination
- Available income can be negative

02

Changes to Income Data

Expected Family Contribution (EFC)
- AGI (tax filers) or income earned from work (non-tax filers)
- Deductible payments to SEP/SIMPLE/ROTH/Other
- Tax-exempt interest
- Untaxed portions of IRA distributions and pensions (excludingrollovers)
- Payments to tax-deferred pension and retirement savings plans
- Child support received
- Housing, food, and other allowances paid to members of the military, clergy, and others
- Veterans noneducation benefits
- Other untaxed income
- Money received by or paid on student’s behalf

Student Aid Index (SAI)
- AGI
- Deductible payments to SEP/SIMPLE/ROTH/Other
- Tax-exempt interest
- Untaxed portions of IRA distributions and pensions (excludingrollovers)
- Foreign income exclusion

Changes to Allowances Against Income

Expected Family Contribution (EFC)
- Taxable college grant and scholarship aid reported as income
- Education credits
- Taxable earnings from need-based employment
- U.S. income tax paid (or foreign equivalent)
- Income protection allowance
- Employment expense allowance
- Social Security tax allowance
- Child support paid
- Combat pay or special combat pay
- Cooperative education employment earnings
- State and other tax allowance

Student Aid Index (SAI)
- Taxable college grant and scholarship aid reported as income
- Education credits
- Federal Work-Study
- U.S. income tax paid (or foreign equivalent)
- Income protection allowance
- Employment expense allowance
- Payroll tax allowance
Changes to Asset Information

- Expected Family Contribution (EFC)
  - Cash, savings, and checking
  - Net worth of investments, including real estate (excluding primary residence)
  - Adjusted net worth of business and/or farm (excluding businesses with fewer than 100 full-time employees or family farms)

- Student Aid Index (SAI)
  - Cash, savings, checking, time deposits, and money market funds
  - Net worth of investments, including real estate (excluding primary residence)
  - Adjusted net worth of business and/or farm
  - Annual child support received

Changes to Allowances Against Assets

- Expected Family Contribution (EFC)
  - Education savings and asset protection allowance

- Student Aid Index (SAI)
  - Asset protection allowance

Exempt From Asset Reporting – Dependent Students

1. Applicant qualifies for a Maximum Pell

2. AGI + Schedules
   - Applicant’s parents’ 2022 combined AGI is less than $60,000 and they do not file a Schedule A, B, D, E, F, or H.
   - They do not file a Schedule C, OR
   - They file Schedule C but have a net business income of not more than $10,000 loss or gain.

3. Means Tested Benefits
   - Applicant or applicant’s parent(s) received a benefit under a means tested federal benefit program during 2022 or 2023 calendar year.
Exempt From Asset Reporting – Independent Students

01 APPLICANT QUALIFIES FOR A MAXIMUM PELL

02 AGE + SCHEDULES
Applicant’s (and spouse, if applicable) 2022 combined AGI is less than $60,000 and they do not file a Schedule A, B, D, E, F, or H. They do not file a Schedule C, OR
Their Schedule C has a net business income of not more than a $10,000 loss or gain.

03 MEANS TESTED BENEFITS
Applicant or applicant’s spouse, if applicable, received a benefit under a means-tested Federal benefit program during 2022 or 2023 calendar year.

Qualified Education Savings Accounts – 529 Plans

01 COUNTED AS PARENTS’ ASSET
Dependent student is beneficiary

02 COUNTED AS STUDENT’S ASSET
Independent student is beneficiary

03 NO MORE COMBINED 529 VALUE
Parent will no longer include the value of educational savings accounts for other children

CALCULATING NET WORTH?

01 INVESTMENT NET WORTH
- As of the date of filing the FAFSA, what is the current value of investments, businesses, and/or farms minus debts currently owed against those same items.

02 VALUE OF HOME
- Do not include the home in which you live as an investment or debt.

03 BUSINESS AND/OR FARM VALUE
- Includes market value of land, buildings, machinery, equipment, inventory, etc.
- Deduct only those debts for which the business or farm was used as collateral
- If primary residence is on the farm, exclude the value of the residence.
Simplified Process

More information accessed through data exchange → less information students/parents have to provide

Increased Pell eligibility

While a few students might lose Pell eligibility due to the changes, we are seeing an overall increase in the number of students eligible for Pell.

CHAPTER SEVEN
CALCULATING PELL GRANTS

A student may also qualify for a different Pell Grant amount through the SAI calculation. Enrollment intensity, cost of attendance, and lifetime Pell limits also affect eligibility.

Minimum & Maximum Pell Grants

Determine the student & parent’s state of legal residence—Alaska and Hawaii have different Poverty Guidelines.

Determine the parent marital status

Maximum Pell

• Single Parent – Parent AGI ≥ 225%
  • Example: Family size of 3 = $51,818
• 2 Parents – Parent AGI ≥ 275%
  • Example: Family size of 3 = $63,333

Minimum Pell

• Single Parent – Parent AGI ≥ 325%
  • Example: Family size of 3 = $74,848
• 2 Parents – Parent AGI ≥ 375%
  • Example: Family size of 3 = $96,333
A student may qualify for a different Pell Grant amount through the SAI calculation. Enrollment intensity, cost of attendance, and lifetime Pell limits also apply.

**Minimum & Maximum Pell Grants**

1. **Automatic Maximum Pell**
   - Based on the poverty guideline charts just reviewed.
2. **SAI Calculation**
   - If the student does not qualify for maximum Pell, the SAI is calculated. The Pell grant will be based on the difference between the Annual Maximum Pell and the student's Student Aid Index. Round to the nearest $5.
   - If this calculation results in a Pell award less than the minimum Pell amount, then the student is not eligible for the Pell grant based on SAI. They may still qualify for an automatic minimum Pell grant if they meet the criteria.
3. **Minimum Pell Grant**
   - Based on the poverty guideline charts just reviewed.
4. **Enrollment Intensity**
   - Pell grant awards are affected by the student's enrollment.
   - Example: The student is enrolled in 8 credit hours. The maximum Pell Grant award is $7395 *not the real amount*. The student would receive 67% of $7395.
5. **ENROLLMENT MATTERS!**

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**In 24-25, the Department of Education will no longer publish the Federal Pell Grant Payment and Disbursement Schedule. Instead, each student's scheduled Pell award is:**

1. **An automatic Maximum Pell**
   - Based on the poverty guideline charts just reviewed.
2. **SAI Calculation**
   - If the student does not qualify for maximum Pell, the SAI is calculated. The Pell grant will be based on the difference between the Annual Maximum Pell and the student's Student Aid Index. Round to the nearest $5.
   - If this calculation results in a Pell award less than the minimum Pell amount, then the student is not eligible for the Pell grant based on SAI. They may still qualify for an automatic minimum Pell grant if they meet the criteria.
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   - Pell grant awards are affected by the student's enrollment.
   - Example: The student is enrolled in 8 credit hours. The maximum Pell Grant award is $7395 *not the real amount*. The student would receive 67% of $7395.
FAFSA SUBMISSION SUMMARY

Students will receive a FAFSA Submission Summary (formerly the Student Aid Report) and will be able to access this information online and can print it out.

ELIGIBILITY OVERVIEW:
Outlines estimates of aid and SAI

FAFSA FORM ANSWERS:
Outlines the answers they and their contributors provided; student can start a correction if any information is incorrect

SCHOOL INFORMATION:
Students can see and compare colleges they selected.

NEXT STEPS:
Informational comments as well as required steps such as making a correction or sending documentation to college(s).

WHAT CAN WE DO NOW?

01 HELP SET UP FSA ID
• Run FSA ID creation events
• Provide resources
• Incorporate into financial aid nights

02 EMPHASIZE SCHOLARSHIPS
• Institutional applications
• State aid applications
• Private scholarships

03 IDENTIFY SPECIAL/UNUSUAL CIRCUMSTANCES
• Changes in family financial circumstances
• Students who cannot contact parents, homeless youth, etc.
• Students whose parents are unwilling to provide parental information

04 UNDERSTAND COST OF ATTENDANCE
• Assist students in understanding their costs and how they vary across colleges
• Direct costs versus indirect costs

05 EMPHASIZE PRIORITY DATES & DEADLINES
• FAFSA submission summary
• College websites

NCAN’s BETTER FAFSA WEBSITE:
ncan.org/page/better-FAFSA
Website will be a living page as resources will continue to be added over the next 6 months.

uASPIRE RESOURCES:
uaspire.org/For-Students
Student resources will continue to be updated to reflect the 2024-25 FAFSA. Check back regularly for updates.

FSA FINANCIAL AID TOOLKIT:
financialaidtoolkit.ed.gov/tk/resources.jsp
Website has a variety of resources to use for sharing information and learning about the FAFSA.

NCAN FUTURE FAFSA TRAINING WEBINARS:
ncan.org/page/better-FAFSA-webinar-series
Will go over the new FAFSA line by line, the FAFSA submission summary, updates on FSA ID process for those without SSNs, and ongoing resources.
**FAFSA PRIORITY DATES**
- kasfaa.org/financial_aid_costs_tuition.php
- Will be updated once all information collected
- Most 2-year schools moving date to March or later
- Most 4-year schools moving date to February or later

**SCHOLARSHIP PRIORITY DATES**
- kasfaa.org/financial_aid_costs_tuition.php
- Will add once all data is collected
- Varies across all institution types
- Earliest is December 1

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**UPCOMING ATTRACTIONS**
- OCTOBER 17 9:30 – 11:00
  - CHANGES TO PROFESSIONAL JUDGMENT
- NOVEMBER 7 9:30 – 11:00
  - SCHOLARSHIPS
  - TO BE DETERMINED...
  - PARENT & STUDENT IDENTITY ACCOUNT SETUP FOR STUDENTS & PARENTS, FINANCIAL AID TROUBLESHOOTING, PROFESSIONAL JUDGMENT

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**THANK YOU**

QUESTIONS?

PLEASE SUBMIT YOUR EVALUATIONS!