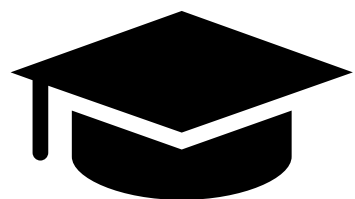


MAY 17, 2023

FAFSA Simplification Update: The Good, The Bad, and the Unknown



Presenter

Julie Sainz, Director of FAFSA and College Access Initiatives

The Arizona Board of Regents

Change is Coming to the FAFSA

- Simplify application completion
- Rely on IRS automatic data transfer
- Refine FAFSA access and submission with FSA ID process enhancements
- Re-define “who’s the parent” and family size
- Eliminate some questions, and re-assign others to a different category to establish aid eligibility
- Eliminate consideration for more than 1 in college
- EFC formula changes and re-naming EFC as SAI (Student Aid Index)
- Positive impact for lower-income and single-parent households; negative impact for middle to upper-income households



Out with the Old- In with the New

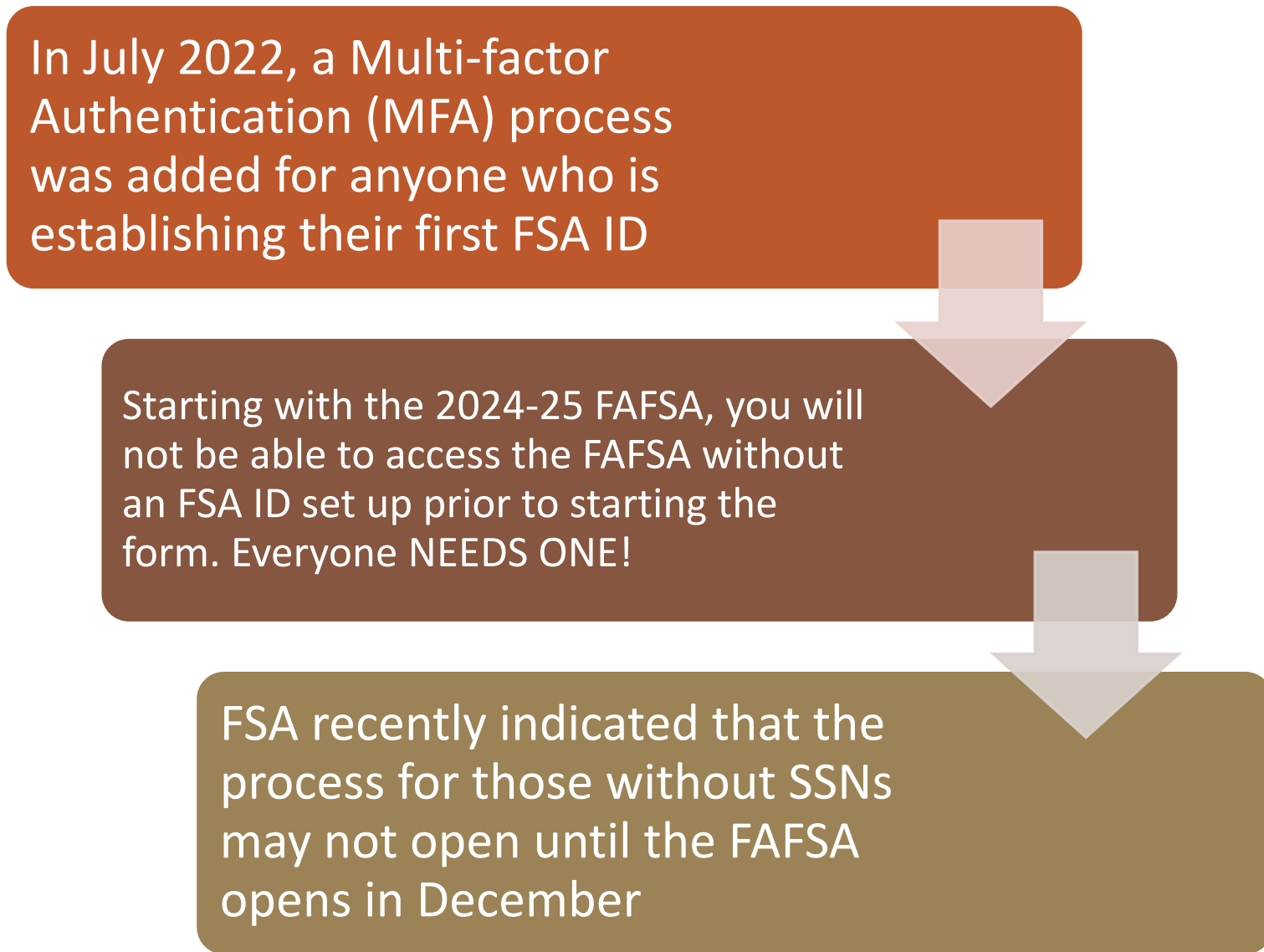
Old

- EFC
- Household Size
- Parent(s)
- Student Aid Report (SAR)
- Dependency Status
- 10 Colleges Listed

New

- SAI
- Family Size
- Contributors
- FAFSA Submission Summary
- Student Personal Circumstances
- 20 College Listed

In July 2022, a Multi-factor Authentication (MFA) process was added for anyone who is establishing their first FSA ID



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graph TD; A[In July 2022, a Multi-factor Authentication (MFA) process was added for anyone who is establishing their first FSA ID] --> B[Starting with the 2024-25 FAFSA, you will not be able to access the FAFSA without an FSA ID set up prior to starting the form. Everyone NEEDS ONE!]; B --> C[FSA recently indicated that the process for those without SSNs may not open until the FAFSA opens in December];
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Starting with the 2024-25 FAFSA, you will not be able to access the FAFSA without an FSA ID set up prior to starting the form. Everyone NEEDS ONE!

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FSA ID Changes

FSA ID Process for All Users



Everyone using an FSA ID will eliminate the need for a signature page when submitting the form



Undocumented parents will now be able to create FSA ID, eliminating the signature page!



Those without a SSN will answer questions from TransUnion to verify their identity- this will be instantaneous, or they will have to call and through additional steps



FSA ID may be needed for both parents if student needs to access two federal tax returns

Married parents who filed “married filing separately”
Recently re-married parent if the marriage occurred after the FAFSA tax year

Streamlining the Form

- EVERYONE will be required to click a permission box at the beginning of the application to allow their financial information to be transferred into the FAFSA form- including Non-tax filers.

EVERYONE HAS TO CLICK THE PERMISSION BOX OR THE STUDENT IS NOT ELIGIBLE FOR ANY FEDERAL AID.

- With No Permission- A user will be able to answer questions, but no SAI will be calculated. The college will need to contact the student/parent to go back in and grant permission.
- Since this is federal tax information being transferred, you will not see this data in the FAFSA or on the FAFSA Submission Summary(SAR)
- Will confirm Non-filers which could reduce the verification burden



Streamlining the Form Cont'd

- **Role-based Form:**
- Each person/role on the FAFSA will only be able to see questions related to their role.
- When a student logs in, they will only be able to see questions that should be answered by the student.
- The parent or spouse will need to log in to see the questions related to their role.
- Once the appropriate people have completed the questions for their role, the FAFSA will be able to be submitted.



Additional Changes



Students can now list up to 20 colleges on the FAFSA



NO SAVE Key



Demographic survey questions will be moved to front of the form



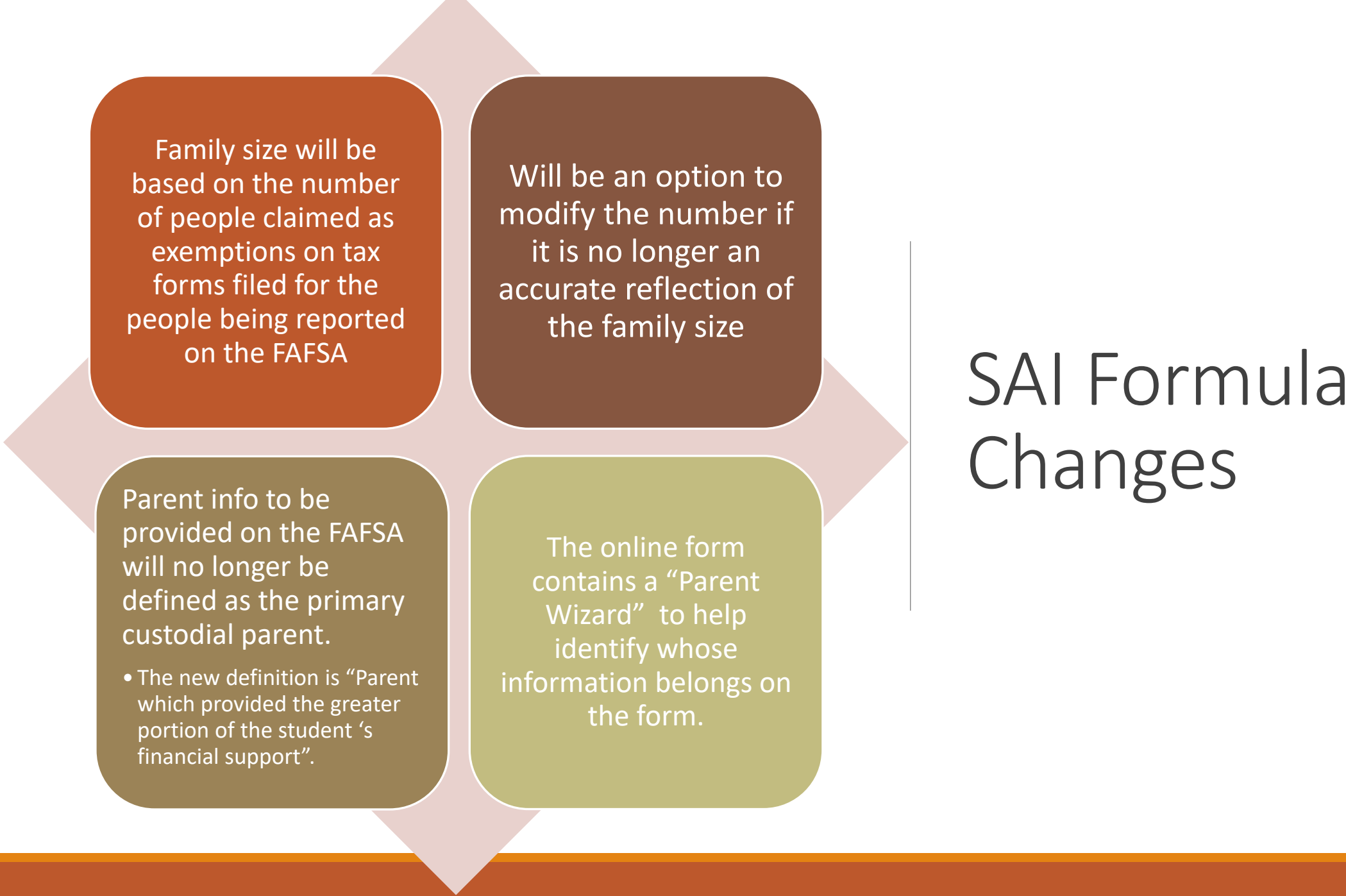
Pell Grant- Determining Eligibility

2- Ways to qualify for a Pell Grant

Will use federal Poverty Tables that match that income year to be reported on the FAFSA-Next Year 2022 income information and the 2022 Poverty Table

Pell Eligibility determination:

- Is the student eligible for Max Pell per the Poverty Table?
- Is the student eligible for Pell by SAI?
- Is the student eligible by Min Pell per the Poverty Table?
- **Max/Min Pell is determined by family size, family composition, and AGI**
 - Family composition: 1 or 2 parent household- for dependent students
 - Different tables for independent students-married or with dependents
- **Students will receive the most generous Pell Grant for which they are eligible, either by SAI or the new min/max Pell measures**



Family size will be based on the number of people claimed as exemptions on tax forms filed for the people being reported on the FAFSA

Will be an option to modify the number if it is no longer an accurate reflection of the family size

Parent info to be provided on the FAFSA will no longer be defined as the primary custodial parent.

- The new definition is “Parent which provided the greater portion of the student’s financial support”.

The online form contains a “Parent Wizard” to help identify whose information belongs on the form.

SAI Formula Changes

SAI Changes

SAI will no longer be divided by number in college

If required to report assets, the family would have to report the net value of any business or family farm –

NO more Exemptions for the number of business employees or farm on which the farm residence is located. Families will need to do their best at estimating the net value

Families with an adjusted gross income of greater than \$60,000 (up from \$50,000) or those who filed certain schedules will be required to submit assets

Modeling tools project more students will gain eligibility, but multiple sibling families may lose some eligibility.

Students whose parents were not required to file taxes will be assigned a - **1500 SAI**; **SAI formula could also yield a -1500 result**

FAFSA Change Alert: Parental Assets

- Simplified Needs Test now called “Exempt from Reporting Assets”
 - ✓ Parental income less than \$60,000 with no IRS schedules filed as determined by IRS data transfer
 - ✓ If anyone in the applicant’s household received certain means-tested federal benefits in the last two years, there will no longer be an income threshold; asset reporting skipped
 - ✓ Free or reduced-price lunch removed as means-tested benefit
- Net worth of small businesses and family farms must now be reported
- Annual child support received is now reported as an asset instead of untaxed income; child support paid is NOT reported or counted at all

Formula Change Implications



With the number of college removed from the formula, many students may have SAI double or triple with no change in family income.



Students may see a reduction in loss of Pell Grant or state need-based grants



Families required to report assets may see a large increase in SAI even though there may have been no or only modest income changes.



Enrolled college students renewing their FAFSA may need to report different information than on their current FAFSA.

Processing Changes

Renewal FAFSA will bring over much more limited information due to question changes, the definition of which parent belongs on the form, etc.

When a student enters either parent demographic information or spouse information, then that person attempts to log in with their FSA ID, it must match what the student typed in.

If NOT, they will not get access to the form to complete their part. It will require the student to go back into their portion of the application and place the correct information that matched the parent's FSA ID.

How will completing the CSS Profile differ from the FAFSA?

Not all answers are available. College Board has indicated that they will continue to use the number in college in their Institutional Methodology (IM) Formula which creates the potential for a wide variance in the federal SAI and IM calculation. The profile will open on 10/1

Implications

Your high school seniors & families that have never filed a FAFSA before will only know the “NEW” Process as “ The FAFSA”.

For families that experience an increase in their SAI as a result of reporting assets or numbers in college not being used on the formula

What strategies will you incorporate on your campus?

What changes, if any, will College Board make to the Profile or a simplified profile that we understand they are developing?



Timing of information and resources released by FSA- how quickly can everyone train, and prepare their teams?



Since the FAFSA will launch in Dec 2023, how does this impact priority deadlines, high schools, students, families, financial aid offices, processing times etc.

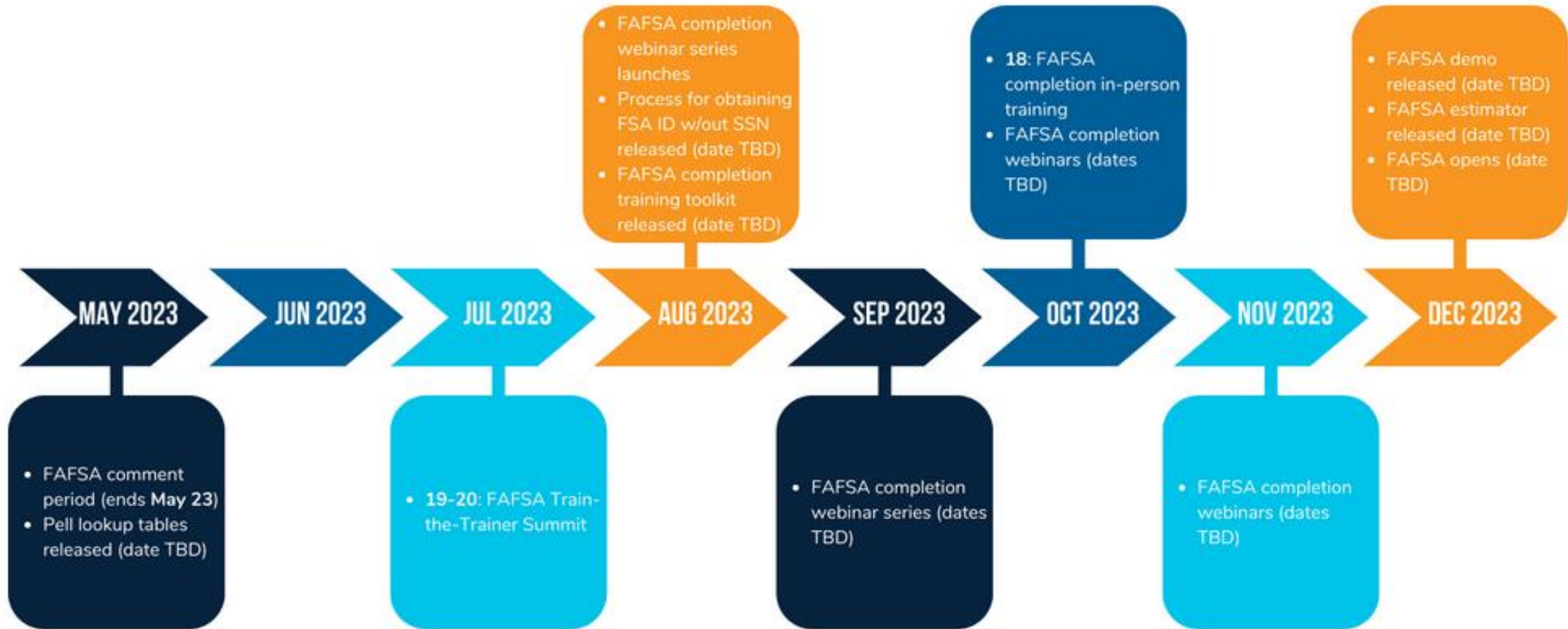
Potential Challenges

We have Questions!



- Will the IRS and FAFSA processor be able to successfully combine tax return data from two different tax filers?
- How reliable will the IRS data transfer actually be?
- How will we handle parents who try to entrust the student with the whole FAFSA application process?
- Will the reported number in family be confusing to correct if necessary?
- Will colleges and universities offer more special circumstance appeals for students whose Pell eligibility is negatively impacted by the changes in the FAFSA Simplification Act?

Better FAFSA Timeline



Timeline

Would you like to know each time we add an announcement to the site? Subscribe to our RSS feed by clicking on the orange and white icon below. (Using Chrome? You may want to install the [RSS Feed Reader](#) for easier viewing of the feed.) 

FAFSA Simplification: A Better FAFSA Process Means a Better Future for Borrowers

FAFSA Simplification: A Better FAFSA Process Means a Better Future for Borrowers

Free Application for Federal Student Aid (FAFSA®) simplification implements provisions of the amended *Fostering Undergraduate Talent by Unlocking Resources for Education Act* (FUTURE Act) and the *FAFSA Simplification Act*. At a high level, FAFSA simplification changes include the first major redesign of the FAFSA system in over 40 years.

FAFSA simplification will be implemented in phases, with full implementation of major provisions in the 2024–25 Award Year.

The changes will provide

- a more streamlined application process,
- expanded eligibility for federal financial aid,
- reduced barriers for certain student populations, and
- a better user experience for the FAFSA form.

We'll update this page regularly with resources about FAFSA simplification. We encourage you to use these resources to communicate with applicants and families about what to anticipate and how they navigate these changes.]

Note: These resources are for your use in your messaging. Please do not point students, parents, or borrowers to this website for financial aid information. Instead, send them to [StudentAid.gov](#)

Resources for Reference and Outreach

Below you'll find up-to-date resources about FAFSA® simplification.

- [FAFSA Simplification Fact Sheet](#): Highlights the key information you need to know to help prepare students and parents for changes to the FAFSA form and process.
- [Additional FAFSA Simplification Fact Sheets](#): Provide an overview of specific elements of the FAFSA simplification implementation
 - [Information for College Advisors](#)
 - [Better FAFSA Better Future Implementation Timeline](#)
 - [Early Implementation Quick Facts](#)
 - [Expected Family Contribution \(EFC\) to Student Aid Index \(SAI\)](#)
 - [Students with Unusual Circumstances](#)
- [Better FAFSA® Better Future FAQs for external partners](#) (schools, counselors, community-based organizations): Provides information on FAFSA simplification and the

FSA Toolkit & Resources

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



Better FAFSA



Better FAFSA-Related Trainings and Dates

Check back often as we will update this list regularly.

- **March 23-May 23:** [Public Comment Period for Better FAFSA](#) (read NCAN's comments [here](#)).
- **May 18:** "FAFSA Changes: An Overview" Webinar
- **July 19-20:** [Better FAFSA "Train-the-Trainer" Summit](#)
- **August-December:** "How to Complete the Better FAFSA" Webinar Series
- **October 18:** Better FAFSA Completion In-Person Training (taking place at

NCAN- Tools and Resources to Help You Prepare for the Better FAFSA

<https://www.ncan.org/general/custom.asp?page=better-FAFSA>

Additional Resources

- <https://fsapartners.ed.gov/knowledge-center/topics/fafsa-simplification-information/2024-25-fafsa-roadmap>
- [https://www.nasfaa.org/fafsa simplification](https://www.nasfaa.org/fafsa_simplification)
- [https://www.nasfaa.org/uploads/documents/Legislative Changes to Federal Methodology Pell Program 2021.pdf](https://www.nasfaa.org/uploads/documents/Legislative_Changes_to_Federal_Methodology_Pell_Program_2021.pdf)

How is AZ Preparing for the Better FAFSA?

Working with NCAN, FSA, and other stakeholders in this space to gather and share information

Creating a strategic plan to communicate these changes and provide training:

- Developing training
- Resources
- Webinars
- and guides

for high school staff and college access professionals that work with students on these efforts.

Supporting postsecondary institutions

Student Support Suggestions



Organizing events when the FAFSA opened to set up FSA IDs for those without SSN's



Offering FAFSA completion workshops starting in January



Best strategies for completing the form when only the student OR Parent is present



Learning and sharing what adjustments to deadlines are being made by colleges



Prioritizing student activities that can happen prior to the FAFSA opening- college list compiled, completing admission applications, scholarship applications, FSA ID set-up, campus visits, etc.



Strategies for a compressed timeline for FAFSA completion, verification, and award letter review



Text Benji

Benji is Arizona's free digital FAFSA assistant. Text Benji with your questions about FAFSA and financial aid and receive immediate answers.

Text Benji



Arizona FAFSA Hotline

Students and families can call the Arizona FAFSA Hotline between 8 a.m. and 5 p.m. Monday through Friday for free support with FAFSA completion, college applications and next steps for enrollment.

Call Now



Schedule an Appointment

Students and families can schedule a one-on-one appointment with a local FAFSA expert. All appointments take place virtually via Zoom, Google Meet or Microsoft Teams.

Schedule

Statewide Free FAFSA Resources

AZ College Access Center



[City of Phoenix-
College Depot](#)



[College Connect-
Tempe](#)



[Be a Leader
Foundation](#)



[Northern Arizona
College Access Center](#)



[Regional College
Access Center](#)



[Pima College FAFSA
Support](#)



Closing Thoughts and Questions

Thank you

Julie.Sainz@azregents.edu