



# FAFSA Changes & Opportunities





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**Identities:** She/Hers/Ella, Blaxican, Texan, Mom/wife/daughter, First-gen

**Superpowers:** Empathy

**Hobbies:** Baking, Gardening, Traveling



# Agenda

About NCAN

FAFSA Changes

Opportunities & Unintended  
Consequences

Policies & Practices for Maximum Impact

Discussion & Questions

## WHAT NCAN BELIEVES AND DOES

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**Vision:** All students -- especially first-generation students, students from underrepresented racial/ethnic backgrounds, & those from low-income backgrounds-- have an equitable opportunity to achieve social & economic mobility through higher education

**Mission:** NCAN supports members and influences leaders, organizations, policies, and systems across the country to increase equity and excellence in postsecondary degree access & attainment.

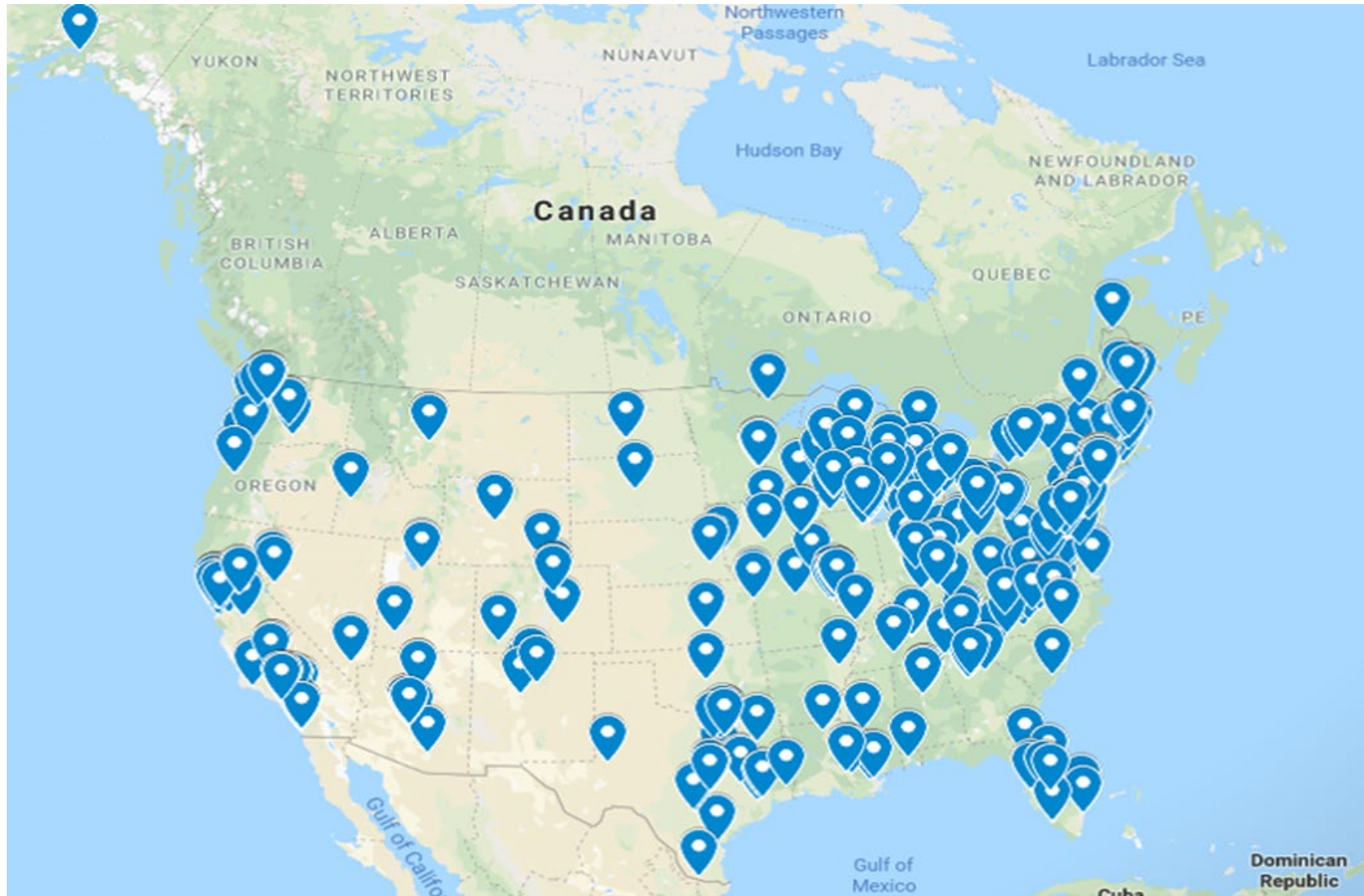
**Intended Impact:** Accelerate the impact that members have with students and families AND influence broader policy and practice change that benefits all individuals, organizations, systems, students, and families.





# OUR MEMBERS

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# Major Changes to the FAFSA

# Major Changes for the Better FAFSA

The 24-25 FAFSA will open in December 2023

FAFSA look and feel has changed

New terminology to learn

The FSA ID will be required to start

Students will need to invite other contributors to complete their section on the FAFSA

Role-based completion is required

Contributors will have to consent to the IRS sharing their federal tax information with the FAFSA for the student to be eligible for federal aid

Student Aid Index (SAI) is replacing Expected Family Contribution (EFC)



# What we are still waiting to learn

- FSA ID process for parents without a social security number
- What the manual income and tax information entry process will look like
- If specific questions on the FAFSA will change based on feedback from the open comment period
- How to advise on assessing the net worth of family farms and small businesses
- How the Better FAFSA will impact verification selection



# Areas of Key Guidance

# KEY GUIDANCE:

## Dependency Section

- Consent is required no matter the personal situation to be eligible for federal aid:
  - Tax filers
  - Non-tax filers
  - Foreign tax filers
- Skip logic is limited in the dependency section due to legislation
- Impact of Provisionally Independent Status: Until the student's circumstances are verified, Federal Student Aid will only provide the student an estimate of their federal student aid eligibility.



## KEY GUIDANCE: Inviting Parents

- Parent invite must match legal name, date of birth, and SSN (if they have one) or mailing address (if they don't have an SSN)
- Email address provided for contributors does not need to match the one used for the FSA ID
- Only one parents info is needed to progress through form, 2<sup>nd</sup> parent can be invited by 1<sup>st</sup> parent contributor if needed
- Issues with match need to fixed by student

**RECOMMENDATION:** Talk through parent wizard questions before starting the FAFSA



Federal Student Aid will release a “Who is my Parent?” infographic in September

# KEY GUIDANCE:

## Student Demographics

### GENDER, TRANSGENDER, AND RACE AND ETHNICITY QUESTIONS

- “Prefer not to answer” available for all questions
- Responses will not be shared with colleges
- Parents cannot see these answers when they are provided by the student
- **Eligible non-citizens will need to report their alien registration number**
- **Correct high school selection will help increase accuracy of FAFSA completion data**
  - State & city required
  - Type ahead option to select high school (there may be skip logic on this if “Home Schooled” option is selected when answering questions about Diploma status.)







# KEY GUIDANCE:

## Student Financials

- **For student tax-filers only two tax form questions will be asked**
  - Taxable grants/scholarships
  - Foreign earned income exclusion
- **Earnings from work will not be asked - this includes non-tax filers**
- **Student and/or parent will never see any federal tax info that is shared via Direct Data Exchange (DDX)**
  - Won't be on form
  - Won't be on FAFSA submission summary
- **If FSA ID is not authenticated yet – manual response to tax related questions will be required**



## KEY GUIDANCE:

# Colleges, Reviewing, and Signing

- Reordering colleges will only be an option for students that live in states where the order matters (Pop up message will prompt students to double check priority order if listing an institution with such state).
- The housing plan question is no longer asked on the FAFSA
- Students will see status of contributor invitations – FSA will automatically resend 7 and 14 days after
- Dependent students can sign but can't submit until all contributors have completed their section
- Incomplete FAFSA only stays in system for 45 days - after that it is deleted





# KEY GUIDANCE:

## Parent Communications

- If parent logs into studentaid.gov and does not see FAFSA contribution option – the student will need to check the name, date of birth, and SSN or mailing address provided
- Parent doesn't need an email invitation to log in and see FAFSA contribution option if name, date of birth, and SSN match their FSA ID

**RECOMMENDATION:** Parents should create FSA IDs in the fall prior to students starting FAFSA.

Note: previously created FSA IDs are valid. If email address was not previously verified the contributor will need to add current email address *and* verify.



# KEY GUIDANCE:

## Parent Identify Info & Demographics

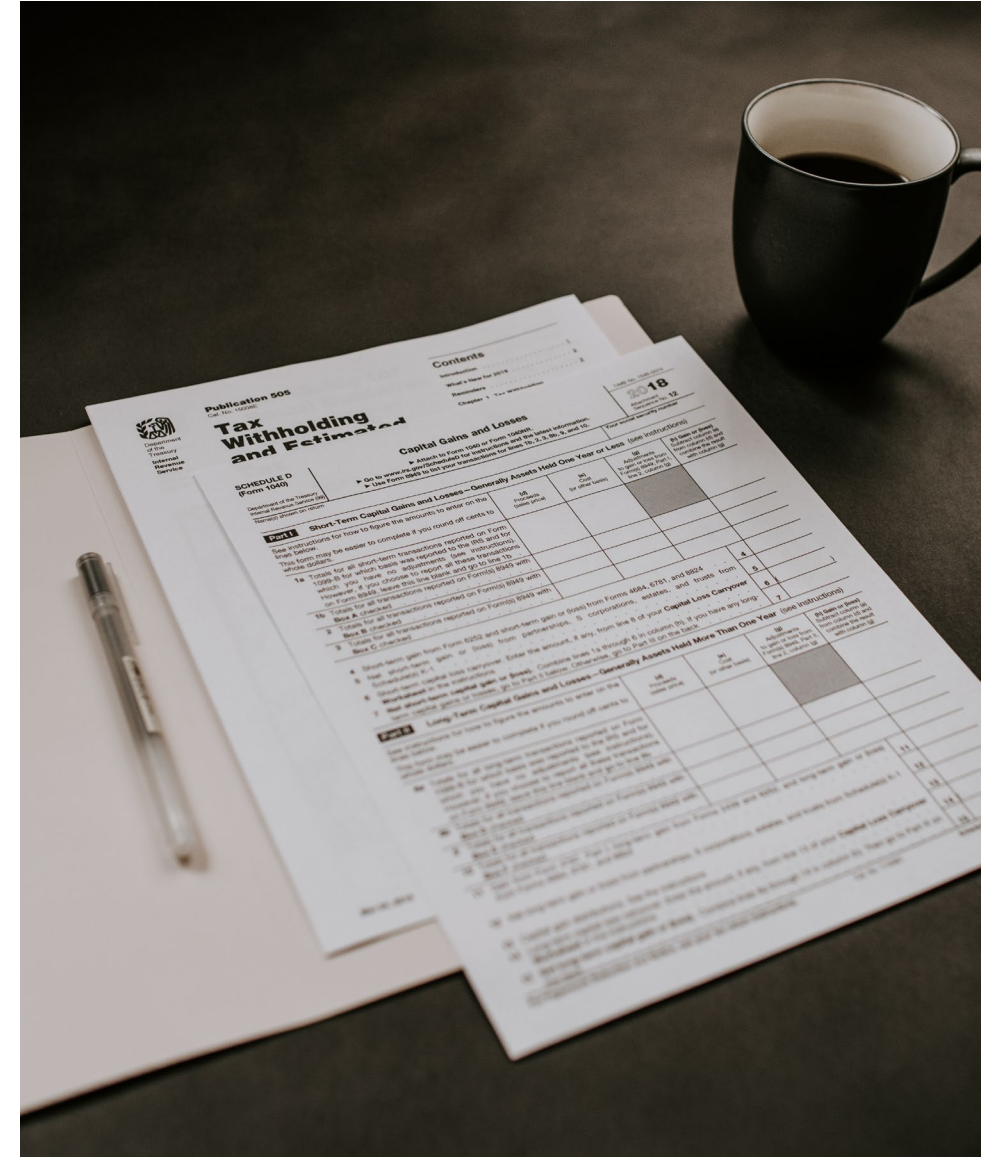
- If any identity information is incorrect, the parent will need to correct it under their account. It cannot be edited directly on the FAFSA
- You can modify your address inside the FAFSA
- Parent needs to consent for the student to be eligible for federal aid, no matter their tax filing or citizenship status



# KEY GUIDANCE:

## Parent Financials

- Even with consenting to DDX tax filers will see a few tax questions on the form – including EITC, taxable grants/scholarships, foreign earned income exclusion
- Manual path will be presented for separated/divorced parents whose tax filing status is not an accurate reflection of marital status, those who experienced identity theft at the IRS, and undocumented individuals who do not file
- Small business and family farm net worth needs to be reported if assets are required
- Child support received will only need to be reported if required to report assets





# KEY GUIDANCE:

## Parent Financials

- Adjusting family size
    - If any uncertainty – adjust the family size number
    - Will not result in automatic verification
  - Number in college will be asked but will not impact SAI – colleges can use it for a Professional Judgement (PJ) and for institutional aid
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- **RECOMMENDATION:** In districts/states that offer 100% free or reduced-price lunch, families should select they receive that benefit. This will make them exempt from reporting assets if they received the benefit in 2022 or 2023.



# KEY GUIDANCE: Signing & Submitting

- Other parent information will be required, but tax filing status will determine whether they need to be a contributor with their own FSA ID
  - If married and NOT filing married-filing jointly both parents will need FSA IDs
- The last contributor to provide information will have the opportunity to submit the FAFSA

## If **parent** submits FAFSA

- Parent will see a congratulations page with very limited information
- Student will receive email confirmation page with estimated SAI and federal aid eligibility

## If **student** submits FAFSA

- Student will see full confirmation page on submission with SAI and estimated federal financial aid eligibility

# KEY GUIDANCE:

## FAFSA Submission Summary

- Unclear where verification will show up – could show up next to SAI or Next Steps
- May need to explain negative SAI to students and parents
  - Negative SAI is same as 0 when receiving Pell
- Make a correction is available within FAFSA Submission Summary
- Sections that need attention will be labeled with red exclamation point
- Complete print out will be available





# The Paper FAFSA is back

- The paper FAFSA will be available to print and mail in for **certain students**
- Paper FAFSA filers may include
  - Users who are having issues creating an FSA ID
  - Users who have contributors having issues creating an FSA ID
  - Incarcerated individuals with limited access to the internet
- Processing time for the paper FAFSA will be slower than those filed on studentaid.gov
- Even if paper FAFSA has a wet signature they will still need to confirm identity
  - **How identity will be confirmed is still unknown**



# What we are still waiting to learn

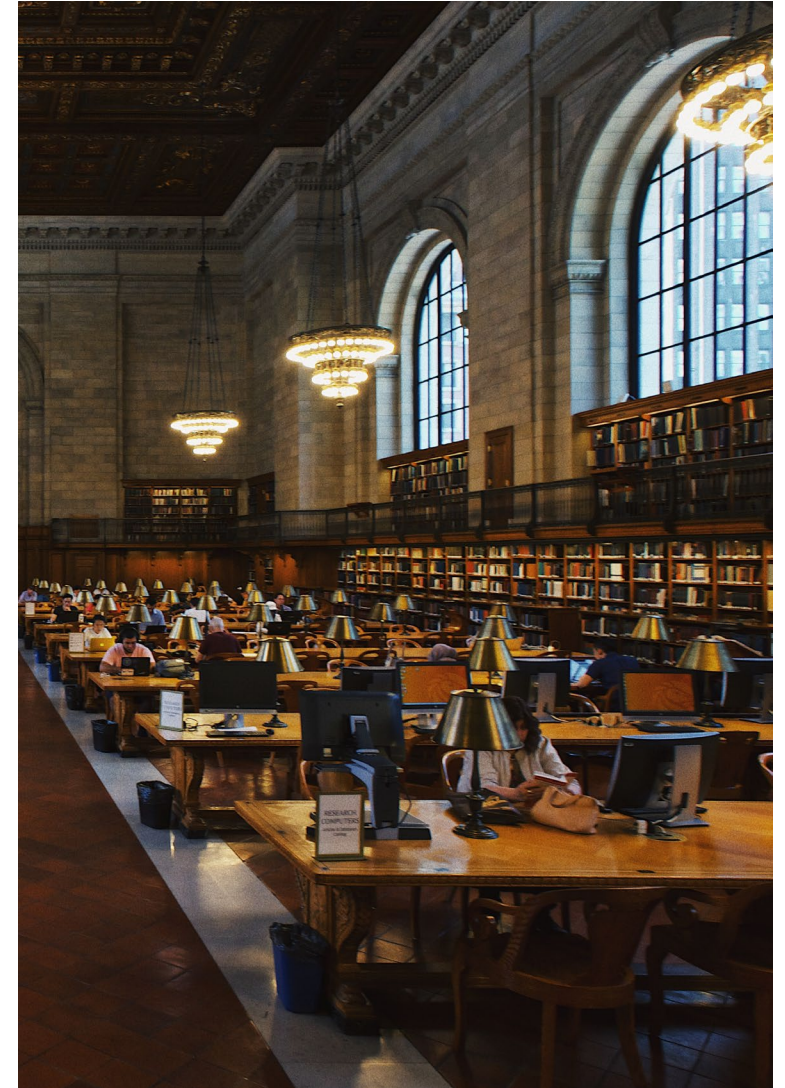
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**Comment period is open. <https://fsapartners.ed.gov/fafsa-prototype/2425> Access Code: **prototype2425****

# What can we do this fall before the FAFSA comes out?

- Support students and families in creating FSA IDs
  - Run FSA ID creation events
  - Provide resources
  - Incorporate into financial aid nights
- Elevate other financial aid forms students may need to complete
  - CSS Profile (if applicable)
  - Institutional forms
- Start identifying any special or unusual circumstances
  - Get a head start on identifying students who may need help navigating certain processes
- Encourage scholarship applications
  - Leverage the FAFSA delay to encourage students to start applying to scholarships





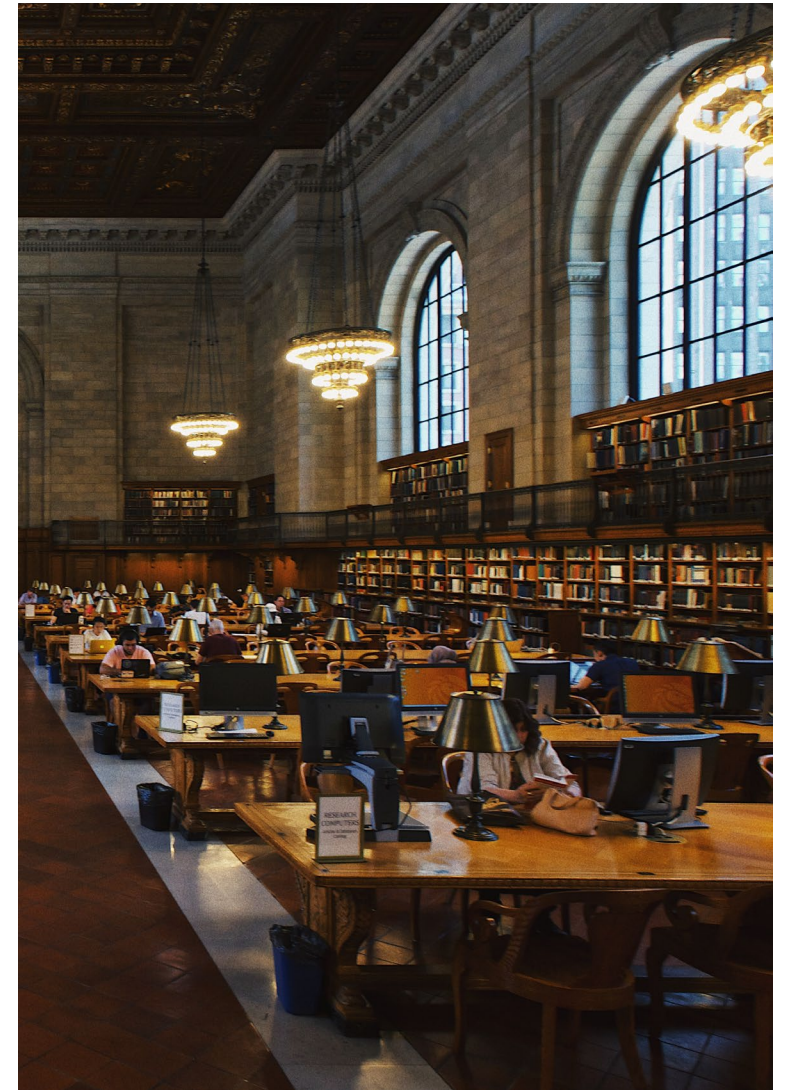
# Identifying Opportunities- Breakout Discussions

# Unintended Consequences



# Areas to watch for...

- Release date
- State Financial Aid deadlines (i.e. Jan 1, Jan 15)
- Access to technology (especially by the consenting parent(s))







# TOOLS & RESOURCES

# FAFSA Toolkit & FSA Resources

- NCAN's Better FAFSA Website: <https://www.ncan.org/page/better-FAFSA>
  - Contains a variety of toolkits to use for FAFSA training, state policy, partner communications and student/parent awareness
  - Website will be a living page as resources will continue to be added over the next 6 months
- uAspire Resources: <https://www.uaspire.org/For-Students>
  - Student resources will continue to be updated to reflect the 24-25 FAFSA. Check back regularly for updates
- FSA FAFSA Simplification Website: <https://financialaidtoolkit.ed.gov/tk/announcement-detail.jsp?id=better-fafsa-better-future>
- FSA Financial Aid Toolkit: <https://financialaidtoolkit.ed.gov/tk/resources.jsp>
- NCAN Future FAFSA Training Webinars: <https://www.ncan.org/page/better-FAFSA-webinar-series>

# UNITING FOR EQUITY

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## SHAPING THE FUTURE OF POSTSECONDARY ATTAINMENT

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October 16-18, 2023  
Hyatt Regency Dallas  
Dallas, TX



# STATE-LEVEL POLICY LEVERS

1. Provision student-level FAFSA completion data to local education agencies
2. Implement universal FAFSA policies that increase FAFSA completion
3. Shift state financial aid programs toward need-based, rather than merit-based, awards
4. Allow DREAMers to access state grant aid programs

## PROVISIONING STUDENT-LEVEL FAFSA COMPLETION DATA

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- **Rationale:** Federal Student Aid (FSA) provides states with access to student-level FAFSA completion data via the Student Aid Internet Gateway (SAIG). From there, states can provide that data to local education agencies (LEAs) and, in some cases, community/nonprofit partners after the completion of a data sharing agreement. Student-level FAFSA completion data is useful in postsecondary advising for measuring progress, conducting outreach, and triaging student support. Making the process for LEAs to access and work with this data clear and easy will make it easier to increase FAFSA completion rates.
- **What Can States Do:** Almost every state has signed an SAIG agreement with FSA, but the process by which LEAs sign data sharing agreements, delegate authorized users, and receive the data (e.g., receiving periodic data extracts, having the data integrated into a protected portal, which data elements are provided) all vary widely. States can increase the usage of this data by cutting down on the “red tape” and number of “hoops to jump through” for stakeholders at the district and school levels. States can work to actively disseminate this data to LEAs rather than taking a more passive “it’s here, they can come get it if they want” approach. Ideally, states can even provide PD/TA to LEAs on how to integrate data effectively into postsecondary advising efforts.

## IMPLEMENT UNIVERSAL FAFSA POLICIES TO INCREASE FAFSA COMPLETION

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- **Rationale:** Every year billions of dollars of federal aid go unclaimed by eligible students. For example, the class of 2021 left \$3.75 billion in Pell Grants on the table. More than 1.7 million high school graduates did not fill out the FAFSA, of which an estimated 813,000 were Pell Grant-eligible. FAFSA completion is strongly associated with postsecondary enrollment, especially for students from low-income backgrounds. Postsecondary education, in turn, is associated with many positive outcomes (e.g., financial, health, civic). Five states now require FAFSA completion as a high school graduation requirement, and more than a dozen others have considered this policy change. The states that have implemented this policy have seen impressive increases in FAFSA completion. For example, Louisiana saw a 25.9% year-over-year increase in the first year of implementation. If universal FAFSA policies can increase FAFSA completions, states hope and suspect there will be knock-on effects on enrollment, persistence, and completion.
- **What Can States Do:** States should proactively find ways to raise their FAFSA completion rates. Some states have passed legislation, or changed graduation requirements via agency regulations, that would make completion of the FAFSA or a state equivalent a requirement for high school graduation. States considering this policy should begin building, providing, and improving robust training for school counselors, college access advisors, and other student-supporting stakeholders to allow them to support students with complying with this policy. An effective policy also must include a opt-out system for students with special circumstances or well-founded reasons for not completing a FAFSA.



## FOCUSING ON NEED-BASED FINANCIAL AID

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- **Rationale:** Financial aid plays a powerful role in putting college within reach for students, especially those from low-income communities. Need-based aid, such as the federal Pell Grant, uses a student's Expected Family Contribution (EFC) or another assessment of their financial strength to determine whether they receive aid and how much. [Research](#) shows that \$1,000 in additional need-based aid translates into a 3-4% increase in second year enrollment rates for Pell Grant recipients.
- Despite these findings, states (and institutions) do not always prioritize financial need when distributing grants and instead rely on factors such as standardized test scores, which tend to skew to the benefit of students from higher income backgrounds. According to the National Association of State Student Grant & Aid Programs (NASSGAP), states range from 0 to 100% in the proportion of state financial aid they allocate based on financial need.
- **What Can States Do:** States can use their state financial aid programs to help students who most need the help. By targeting all of their financial aid programs toward students with financial need, states can boost postsecondary enrollment, persistence and attainment.

## EXPANDING HIGHER EDUCATION TO DREAMERS

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- **Rationale:** Students brought to the U.S. as children but without documentation –“DREAMers” - deserve the chance to complete their education. These students face unique barriers to college access and affordability. These students have deep roots in the United States and often know no other home. Research shows that when they are given protection against deportation and legal status to pursue higher education, their economic contributions grow dramatically. Households with DACA recipients in them already yield [nearly \\$9 billion](#) in federal, state, and local taxes annually. Today, there are 427,000 DREAMERS in higher education and hundreds of thousands more who could benefit from these policies and contribute to their states and communities with greater support.
- **What Can States Do:** States have important sway over DREAMers’ access to higher education. They can take three discrete steps to open the doors:
  - (1) allow students to attend public higher education institutions in their state
  - (2) Allow students to pay in-state tuition or a reduced rate to attend public institutions, if they meet the residency requirements, and
  - (3) Allow students to access state financial aid programs, if they meet the eligibility requirements



# QUESTION & ANSWER