

# 2024-2025 FAFSA The Essentials

**Presented by:**  
**CASFAA Financial Aid Administrators**



# Presentation Authors

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- Co-author of *Filing the FAFSA*
- Author of *How to Appeal for More College Financial Aid*
- Helped develop the online FAFSA in 1996

- **David Levy**

- Co-author of *Filing the FAFSA*
- Served as Director of Financial Aid at many of the nation's leading colleges

- **California Financial Aid Administrators**

# What Will You Learn at this Workshop?

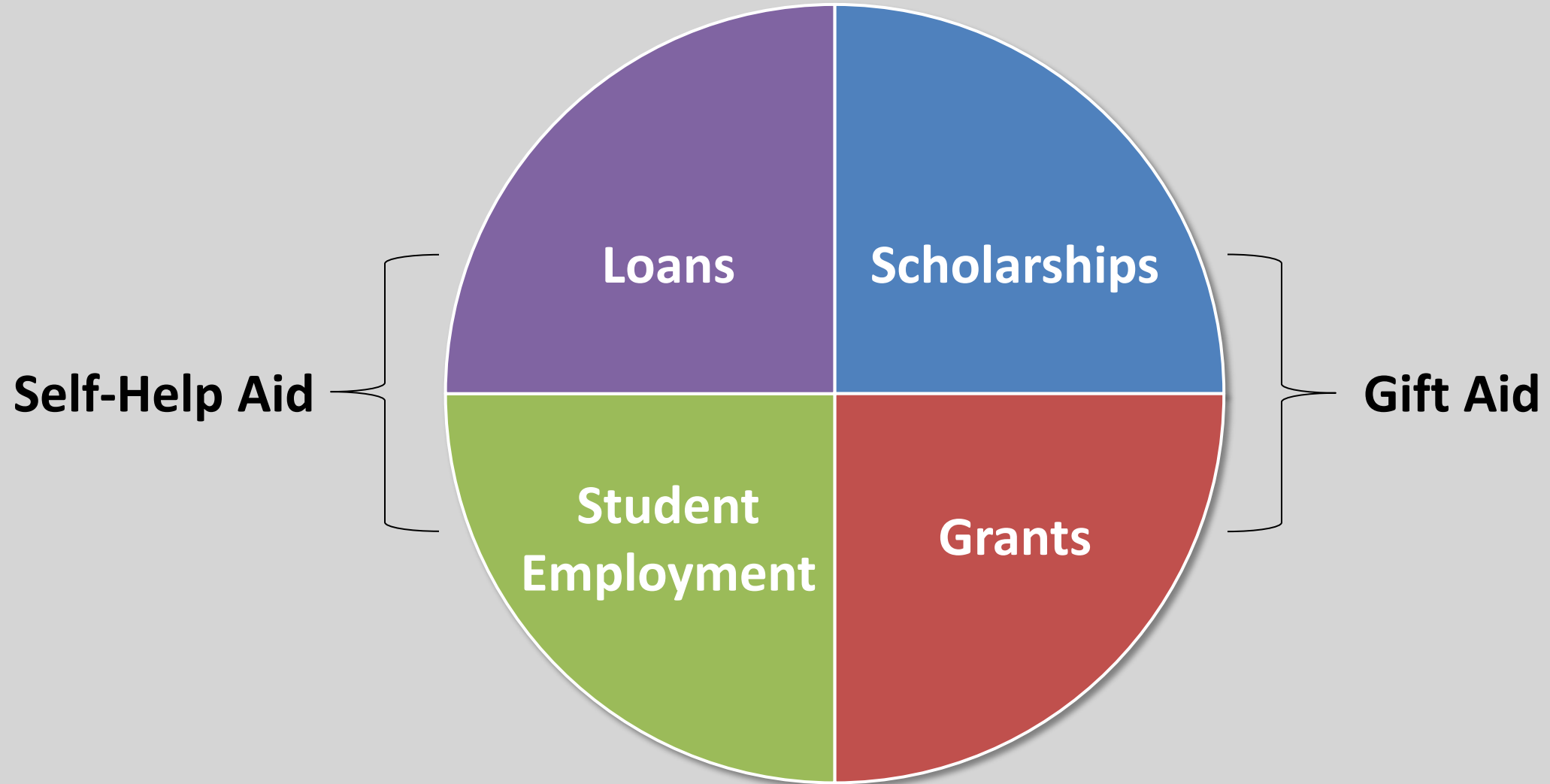
- ① Types and Sources of Financial Aid
- ② Essential Information about the FAFSA
- ③ 2024-25 FAFSA: Key Changes
- ④ How to Appeal for More Financial Aid
- ⑤ Resources

# 1



## Types and Sources of Financial Aid

# Types of Financial Aid



# Sources of Financial Aid

**Federal  
Government**

**States**

**Colleges  
and  
Universities**

**Private  
Sources**

**Employers**

# 2



## Essential Information about the FAFSA

# Federal Student Financial Aid Programs

Program	Award Amount	Notes
Pell Grant	Up to \$7,395	Lifetime Eligibility 600% (max)
FSEOG (grant)	Up to \$4,000	Priority to Pell eligible students
TEACH Grant	Up to \$3,772	Requires service contract; otherwise, converts to unsubsidized loan
Work Study	Varies by school	On- and off-campus employment
Direct Student Loan (Subsidized and Unsubsidized)	\$3,500- \$12,500 (undergrad level)	Interest subsidy during periods of enrollment of at least half time for Subsidized Direct Loan
Parent PLUS Loan	Varies	Up to annual COA less any other financial aid



# Which Financial Aid Application to Submit?

- U.S. citizen or eligible non-citizen



studentaid.gov/h/apply-for-aid/fafsa

- No SSN with or without DACA
- TPS status, U Visa
- With AB 540 status



dream.csac.ca.gov/

# What is the Free Application for Federal Student Aid (FAFSA)?

- Collects student and parent income, tax, assets, and household information
- Calculates the Student Aid Index (SAI), a measure of the family's financial strength
- Need-based student financial aid from:
  - Federal government
  - State government, and
  - Most colleges and universities

# Which Year's Information is Reported?

## Assets

Reported as of the date the FAFSA is filed

## Income

Based on the second previous tax year (the prior-prior year)

- Example: The 2024-25 FAFSA is based on income and tax information from 2022
  - Do not substitute 2023 income and tax information for 2022 income and tax information
  - If the family income has changed, file an appeal with the college financial aid office

# When to File the FAFSA?

- File the FAFSA on or after October 1 of the senior year in high school and annually after that

## **IMPORTANT:**

The 2024-25 FAFSA becomes available  
in December 2023

*The exact date in December is not yet known*



## When to File the FAFSA? [cont'd]

- File as soon as possible to qualify for more grants
  - Even before submitting college admissions applications

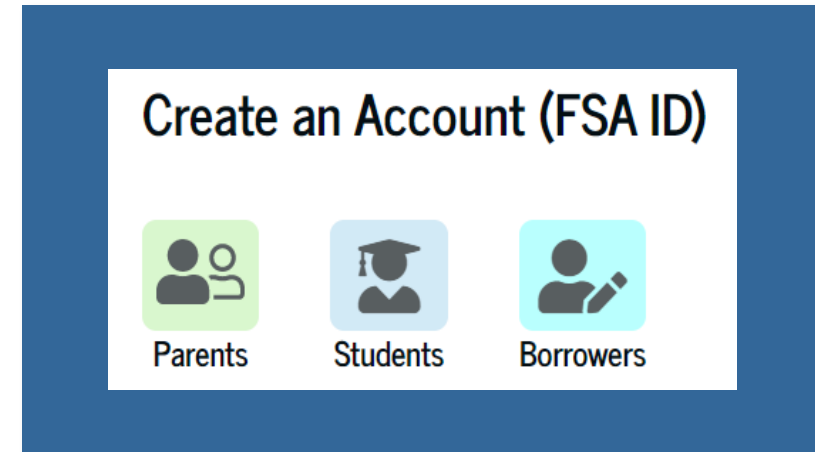


In California, there is a priority deadline of March 2<sup>nd</sup> to file the FAFSA or CA Dream Act Application to qualify for specific state grants

# FSA ID

The FSA ID is a digital signature used to:

- Sign the FAFSA, and Master Promissory Notes (Direct and Parent PLUS Loans)
- Access Federal Student Aid websites



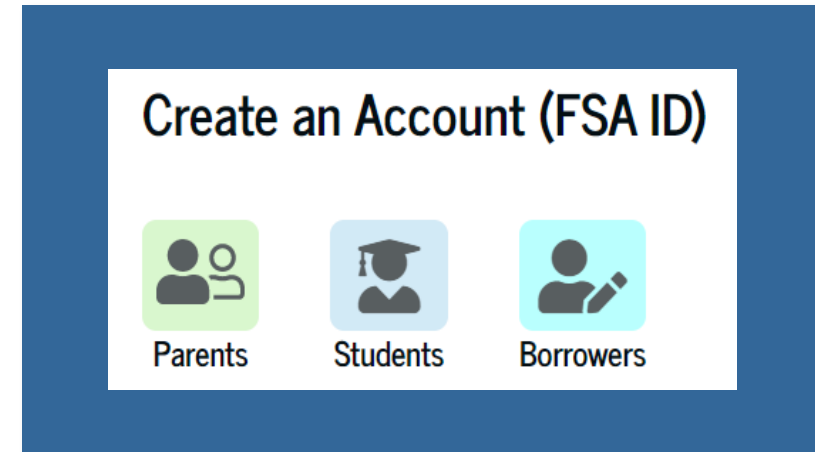
**Each person creates their own FSA ID with SSN and Date of Birth**  
(SSN no longer needed for parents who are not U.S. citizens)

**Student**

**Parent**

# FSA ID [cont'd]

- Common mistakes:
  - SSNs switched
  - Parent creates password for student
  - Student creates one for parent
- Can log in with a verified mobile phone number
- FSA ID Help:
  - (800) 4-FED-AID, or
  - (800) 433-3243



# Avoid Common Errors on the FAFSA

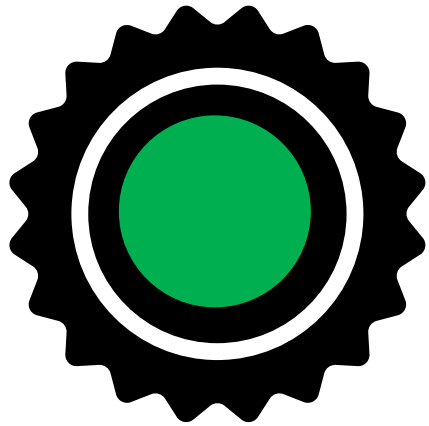
## Read definitions carefully!



- **DO NOT** confuse student with parent information
- **DO NOT** switch child support *paid* with child support *received*
- **DO NOT** report value of qualified retirement plans or family home as assets
- **DO NOT** report 529 college savings plans based on the beneficiary instead of the owner



# Avoid Common Errors on the FAFSA [cont'd]

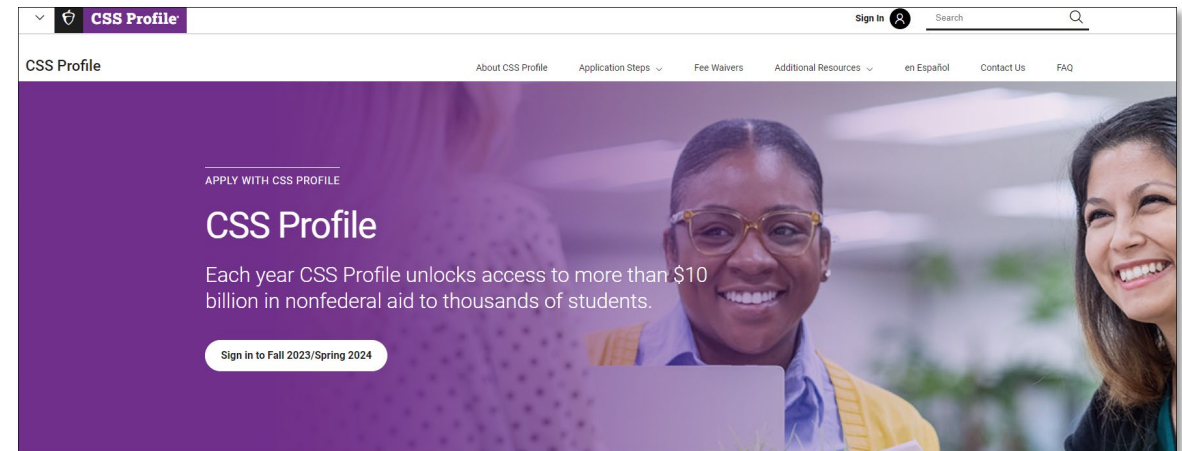


## **Double-check all basic demographic items:**

- Name
- Date of birth
- Social Security Number
- E-mail address
- Address
- Zip code

# CSS Profile (for institutional aid)

- Supplemental application required by some colleges and scholarship competitions to determine a student's eligibility for non-federal institutional aid
- Asks for additional information such as home equity, income and assets from non-custodial parents, retirement plans, etc.
- Cost – \$25 for initial registration and first college
- \$16 for each additional college
- [cssprofile.collegeboard.org](https://cssprofile.collegeboard.org)



# 3



## 2024-2025 FAFSA Key Changes

# 2024-2025 FAFSA

## Summary of Key Changes

Number of questions dropped from 108 to 46. Questions removed:

- Housing choices
- Selective Service
- Drug Conviction
- Taxable income questions removed from *online* FAFSA

Students can list up to 20 colleges

Online FAFSA available in 11 most common languages spoken in U.S.

Paid preparation no longer permitted

Fewer FAFSAs selected for verification

# 2024-2025 FAFSA

## Summary of Key Changes – More Federal Aid for Single Parents



More financial aid for single parent households. Two types:

- Dependent students with just one parent
- Independent students who are single parents

More student and parent income will be sheltered from the financial aid formula

Greater eligibility for the maximum Federal Pell Grant

- Single Parent: AGI  $\leq$  225% of the poverty guideline
- Not Single Parent:  $\leq$  175% of the poverty guideline

# 2024-2025 FAFSA

## Summary of Key Changes – Less Federal Aid for Others

### Less aid for middle-income and high-income families

- Shift in focus away from cash flow to a slightly greater emphasis on wealth

### Less aid for families with multiple children in college

- Number of children in college at the same time will no longer affect eligibility for federal need-based aid
  - Small impact on low-income families
  - Big impact on middle-income and high-income families



# 2024-2025 FAFSA

## New Questions – Will Not Affect Aid Eligibility



What is the student's gender?\*

- Male
- Female
- Nonbinary or another gender
- Prefer not to answer

Is the student transgender?\*

- Yes
- No
- Prefer not to answer

Is the student Hispanic, Latino, or Spanish origin?\*

- No, not of Hispanic, Latino, or Spanish origin
- Yes, Mexican, Mexican American, or Chicano
- Yes, another Hispanic, Latino, or Spanish origin
- Prefer not to answer

# 2024-2025 FAFSA

## Changes to Reportable Income

### Types of untaxed income no longer reported:

- Cash support and other money paid on student's behalf
- Veteran's education benefits
- Workman's Compensation

### Gifts to Students

- Distributions from 529 college savings plans owned by a non-custodial parent or grandparent no longer affect aid eligibility

### Child Support Received

- Reported as an *asset* instead of *income*





# 2024-2025 FAFSA

## Changes to Reportable Assets



**All** assets are considered in the formula

- Elimination of small business and family farm exclusions

# 2024-2025 FAFSA

## Changes to Reportable Assets [cont'd]

### Simplified Needs Test is now known as “Applicants Exempt from Asset Reporting”

- If family income is less than \$60,000, or
- If anyone in applicant’s household received certain means-tested federal benefits in the last two years

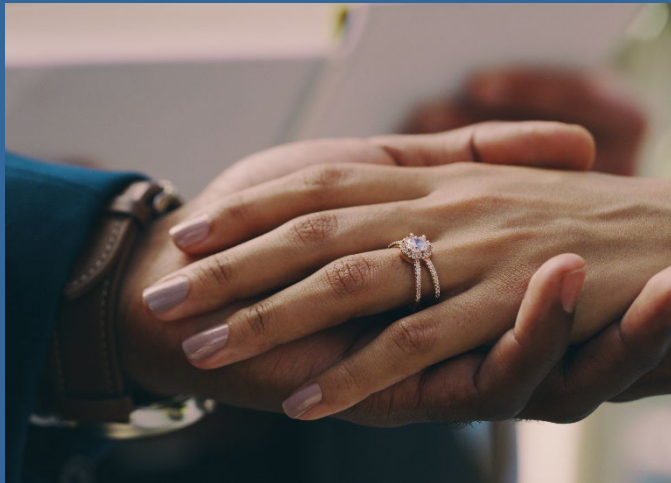
# 2024-2025 FAFSA

## Which Parent Must Complete the FAFSA?



When parents are divorced, separated or never married, and do not live together, only one parent must complete the FAFSA

- The parent who provides more financial support to the student, **not** the parent that the student lived with the most



If this parent has remarried as of the date the FAFSA is filed, the stepparent's income, assets, and dependents must be reported on the FAFSA

- See next slide about change in definition for family size

# 2024-2025 FAFSA

## Change to Definition of Family Size

### Family size now based on:

- Student
- Student's parents or student's spouse (if any)
- Dependents from applicable federal income tax return



Form **1040** Department of the Treasury—Internal Revenue Service **2022** U.S. Individual Income Tax Return OMB No. 1545-0074 IRS Use Only—Do not write or staple in this space.

**Filing Status**  Single  Married filing jointly  Married filing separately (MFS)  Head of household (HOH)  Qualifying surviving spouse (QSS)  
Check only one box. If you checked the MFS box, enter the name of your spouse. If you checked the HOH or QSS box, enter the child's name if the qualifying person is a child but not your dependent:

Your first name and middle initial	Last name	Your social security number
If joint return, spouse's first name and middle initial	Last name	Spouse's social security number

Home address (number and street). If you have a P.O. box, see instructions. Apt. no.

City, town, or post office. If you have a foreign address, also complete spaces below. State ZIP code

Foreign country name Foreign province/state/county Foreign postal code

**Digital Assets** At any time during 2022, did you: (a) receive (as a reward, award, or payment for property or services); or (b) sell, exchange, gift, or otherwise dispose of a digital asset (or a financial interest in a digital asset)? (See instructions.)  Yes  No

**Standard Deduction** **Someone can claim:**  You as a dependent  Your spouse as a dependent  
 Spouse itemizes on a separate return or you were a dual-status alien

**Age/Blindness** **You:**  Were born before January 2, 1958  Are blind **Spouse:**  Was born before January 2, 1958  Is blind

**Dependents** (see instructions):

(1) First name	Last name	(2) Social security number	(3) Relationship to you	(4) Check the box if qualifies for (see instructions):	Child tax credit	Credit for other dependents
				<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
				<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
				<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
				<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

If more than four dependents, see instructions and check here

# 2024-2025 FAFSA

## New Terminology

### Contributor

Refers to anyone asked to provide information on a student's FAFSA form

### Consent

All students and contributors must provide consent for federal tax data to be:

- Transferred
- Used
- Shared

### SAI and OFA

Expected Family Contribution (EFC) changes to Student Aid Index (**SAI**)

Estimated Financial Assistance (EFA) changes to Other Financial Assistance (**OFA**)

## What You Need To Know – Contributors

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A student's or parent's answers on the FAFSA form will determine which contributors (if any) will be required to provide information.



Students or parents invite contributors to complete their portion of the FAFSA form by entering the contributor's name, date of birth, Social Security Number, and email address.



Contributors must provide personal and financial information in their own sections of the FAFSA form, but they are not financially responsible for the student's education costs.

# Independent Students

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Other students can continue to be considered independent students on the 2024-25 FAFSA form and will not be required to have their parents be contributors.

For the 2024-25 award year, an independent student is one of the following:

- born before Jan. 1, 2001
- married (and not separated)
- a graduate or professional student
- a veteran
- a member of the armed forces
- an orphan
- a ward of the court
- someone with legal dependents other than a spouse
- an emancipated minor
- someone who is unaccompanied and homeless or self-supporting and at risk of being homeless

# 2024-2025 FAFSA

## New Terminology (Cont'd)

### Contributor

Refers to anyone asked to provide information on a student's FAFSA form

### Consent

All students and contributors must provide consent for federal tax data to be:

- Transferred
- Used
- Shared

### SAI and OFA

Expected Family Contribution (EFC) changes to Student Aid Index (**SAI**)

Estimated Financial Assistance (EFA) changes to Other Financial Assistance (**OFA**)



## What You Need To Know

- If a student or required contributor doesn't provide consent to have their federal tax information transferred into the FAFSA form, the student will not be eligible for federal student aid—even if they manually enter tax information into the FAFSA form.
- Information about how federal tax information will be used and the consequences of not providing consent will be included on the FAFSA form.

## Steps for Contributors

Contributor receives email informing them that they've been identified as a contributor.

Contributor creates a StudentAid.gov account if they don't already have one.

Contributor logs into account using their FSA ID (account username and password).

Contributor reviews information about completing their section of the FAFSA form.

Contributor provides the required information on the student's FAFSA form.

STEP 01

STEP 02

STEP 03

STEP 04

STEP 05

**IMPORTANT:** Being a contributor does NOT implicate financial responsibility. However, if a required contributor refuses to provide their information, it will result in an incomplete FAFSA form, and the student will become ineligible for federal student aid.

## Key Change – FSA ID Requirement

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- All students and contributors must create a StudentAid.gov account to complete the FAFSA form online.
- To log in to their accounts, students and contributors will use their FSA IDs (account username and password).
- Even if a contributor doesn't have a Social Security Number, they can still get an FSA ID to fill out their portion of the student's FAFSA form online.

**NOTE:** A student must be a U.S. citizen or eligible noncitizen to be eligible for federal student aid.

# 2024-2025 FAFSA

## New Terminology (Cont'd)

### Contributor

Refers to anyone asked to provide information on a student's FAFSA form

### Consent

All students and contributors must provide consent for federal tax data to be:

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### SAI and OFA

Expected Family Contribution (EFC) changes to Student Aid Index (**SAI**)

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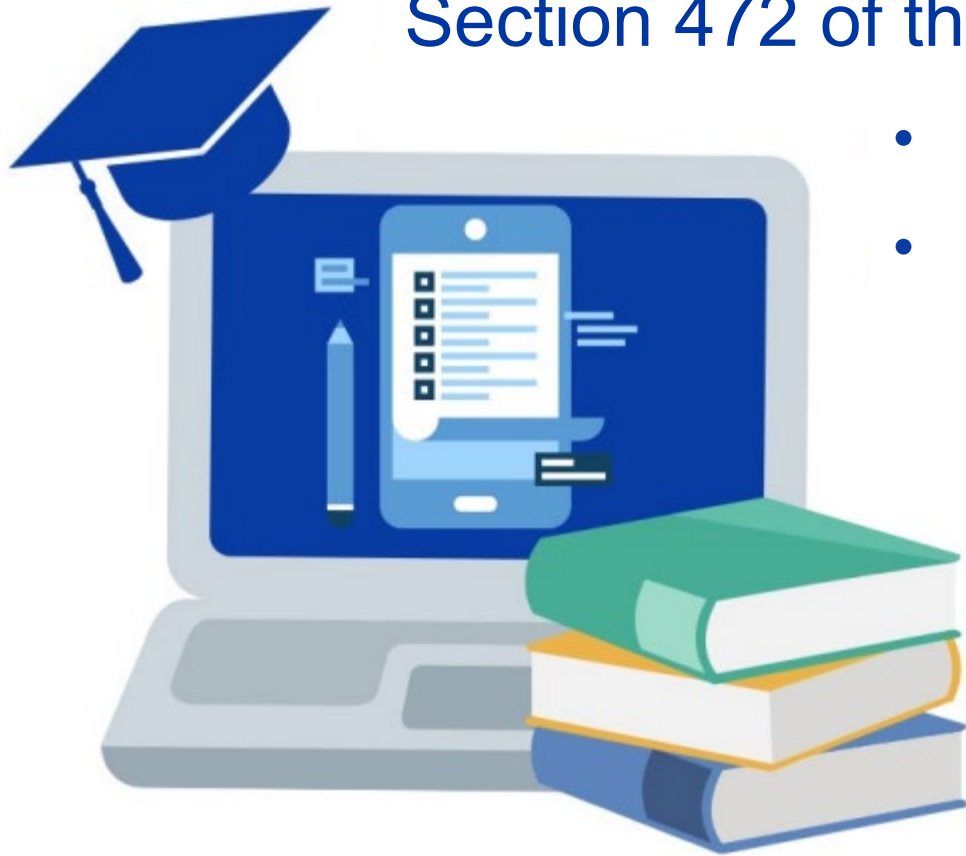
## 2024-25: Student Aid Index SAI

*Estimated Financial Assistance (EFA) will change to Other Financial Assistance (OFA)*  
*Expected Family Contribution (EFC) will change to Student Aid Index (SAI)*



**NOTE:** Emergency aid will no longer reduce the student's other financial assistance

# Cost of Attendance (COA) Changes (1 of 2)



## Section 472 of the Higher Education Act Amendments

- Revisions to Cost of Attendance (COA)
- Standard allowances for certain components
  - “Room and board” changed to “food and housing”
  - “Food and housing” grouped together as “living expenses”
  - Transportation expenses include travel between campus, student’s home, and work

# Cost of Attendance (COA) Changes (2 of 2)

## Students enrolled less than half time

- May include components not expressly prohibited by law

## Cost to obtain licensure/certification

- No longer just one-time
- Applies to license, certification, or first professional credential

## Incarcerated students

## Expanded consumer information requirements

- A student's SAI can be a negative number down to -1500.

## **NOTE:** Loan Fees

- Actual loan fees for federal loans must be included in the COA
- Loan fees for private student loans may no longer be included



## Key Change – Student Aid Index (SAI)

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- The SAI is a number that is used to determine eligibility for need-based aid. It is calculated using information that the student (and contributors, if required) provides on the FAFSA form.
- The SAI will replace the Expected Family Contribution (EFC) starting in the 2024-25 award year.
- A student's SAI can be a negative number down to –1500.

Cost of Attendance (COA) – Student Aid Index (SAI) – Other Financial Assistance (OFA) = Need



## Federal Pell Grant Eligibility Will Be Determined in 3 Steps

**1**

### Maximum Pell Grant

Students may qualify for a maximum Pell Grant based on family size, adjusted gross income, poverty guidelines, and tax filing status.

Students qualifying for a maximum Pell Grant will have a Student Aid Index (SAI) between -1500 and 0.

**2**

### Student Aid Index (SAI)

Students who don't qualify for a maximum Pell Grant may still be eligible if their calculated SAI is less than the maximum Pell Grant award for the award year. The student's Pell Grant award will be equal to the maximum Pell Grant for the award year minus their SAI.

**3**

### Minimum Pell Grant

Students whose SAI is greater than the maximum Pell Grant award for the award year may still be eligible for a Pell Grant, based on family size, adjusted gross income, and poverty guidelines.

# 2024-2025 FAFSA Submission Summary (FSS)

(formerly called Student Aid Report)



- After the student completes the online FAFSA, a FAFSA Submission Summary (FSS) is sent to the student
  - An electronic FSS is sent if a student email address is provided
  - A paper summary is mailed if no student email address is provided
- An electronic copy of the data is sent to each college or university listed in Section Two
- Student should keep a copy of the FSS with other financial aid documents

# 4



## How to Appeal for More Financial Aid

# PROFESSIONAL JUDGMENT CATEGORIES

New policies and provisions related to professional judgments and dependency determinations

**Special circumstances  
(ex. job loss)**

**vs.**

**Unusual  
circumstances (ex.  
Human trafficking)**

**Consider all PJ  
requests**

**Accept prior  
determinations of  
independence**

**Updates to  
acceptable  
documentation**

# SPECIAL VS UNUSUAL CIRCUMSTANCE

## SPECIAL CIRCUMSTANCES

Financial situations leading to changes to data elements in COA or EFC calculation

Changes to family income, assets, etc.

Recent unemployment

Dislocated worker

Housing change due to homelessness

## UNUSUAL CIRCUMSTANCES

Conditions leading to changes to student's dependency status (a.k.a. dependency override)

Human trafficking

Refugee or asylee status

Parental abandonment, incarceration, etc.

Unable to contact parents

Contact with parents poses risk

# Helpful Information

- Determination of homelessness is made without regard to the reasons why the student is unaccompanied and/or homeless
- If parents refuse to complete the FAFSA, eligibility for unsubsidized Federal Direct Stafford Loans no longer requires parents to cut off all financial support
- Income earned from work may be set to zero due to unemployment during a qualifying emergency



# 5



## Resources

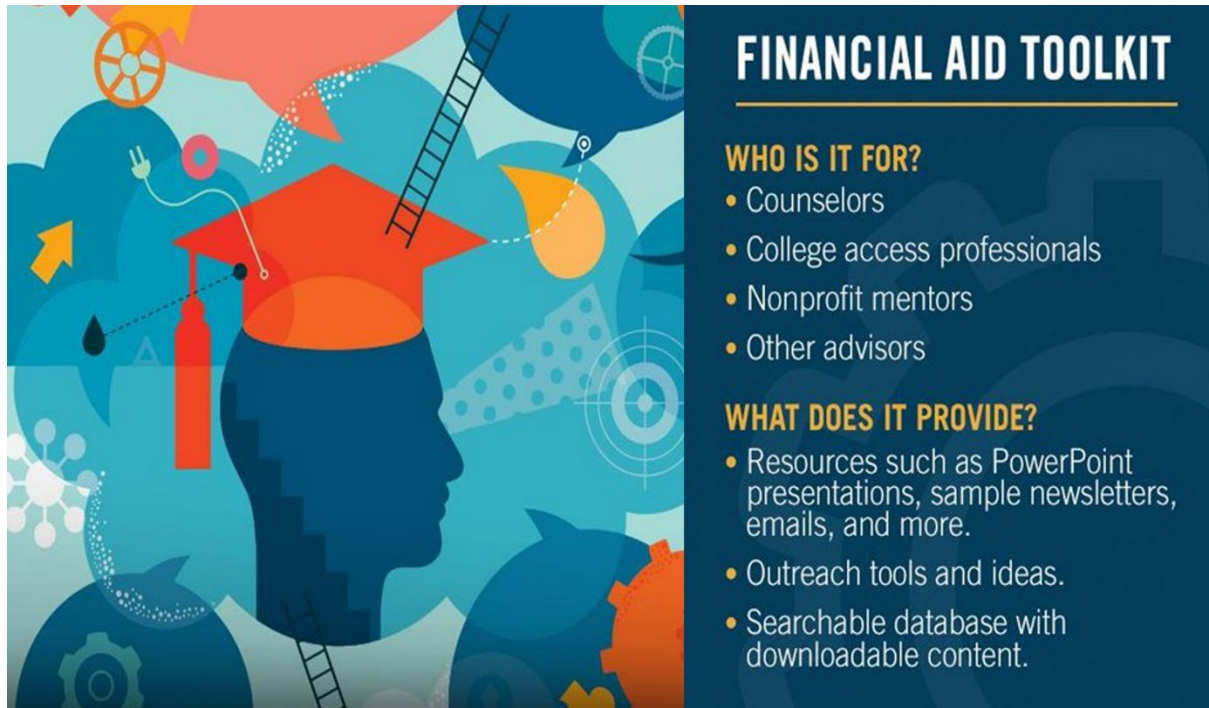
# Federal Student Aid Assistance

- Answers to common questions about the FAFSA process
  - [studentaid.gov/apply-for-aid/fafsa/filling-out/help](https://studentaid.gov/apply-for-aid/fafsa/filling-out/help)
- Online assistance and contact information for Federal Student Aid Information Center (FSAIC)
  - 1-800-433-3243
  - [studentaid.gov/help-center/contact](https://studentaid.gov/help-center/contact)





# Financial Aid Toolkit for Counselors



- Host an event
- Make a presentation
- Target specific audiences
- Use social media
- Write articles and emails
- Share Public Service Announcements

[financialaidtoolkit.ed.gov/tk/](https://financialaidtoolkit.ed.gov/tk/)

# Q & A



# Thanks for joining us!



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COMMISSION



**casfaa**  
California Student Aid Administration