

# **OPERATIONS MEMO**



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# **Update from the California Student Aid Commission**

May 18, 2023 GOM 2023-13

TO: High School Counselors

Financial Aid Administrators

FROM: Tae Kang Tae Kang

Deputy Director, Program Administration & Services Division

SUBJECT: 2024-25 Financial Aid Applications - Upcoming Changes

This Operations Memo from the California Student Aid Commission (Commission) communicates important changes to the 2024-25 Free Application for Federal Student Aid (FAFSA) and California Dream Act Application (CADAA).

#### **FAFSA Release Date**

Under the <u>FAFSA Simplification Act</u>, the 2024-25 FAFSA will be simplified as communicated through the *Better FAFSA Better Future* campaign. This simplified version is the first major redesign of the FAFSA form in over 40 years. The goal is to make applying for federal student aid easier for students and families.

Although a definitive release date for the FAFSA has not been determined, Federal Student Aid has announced that the application will be delayed from October 1 to **December 2023**. It is the Commission's intent to release the CADAA on the same day as the FAFSA. We will provide an update once a date has been finalized.

#### **Better FAFSA Benefits**

- Expected Family Contribution (EFC) will be replaced with Student Aid Index (SAI)
- New Pell Grant formula using SAI and Adjusted Gross Income
- Increased financial aid eligibility for single parents
- Number of questions reduced from 108 to 36
- Alignment of FAFSA questions with federal income tax return

### **FAFSA changes will include:**

- Students can list up to 20 colleges (they could only list 10 in the prior version)
- FSA ID will be required. Parents who are not US Citizens or permanent residents will be able to create an FSA ID

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- Changes in reportable income and assets
- Inclusion of new demographic questions on student gender, race, and ethnicity – neither will affect financial aid eligibility
- The paper FAFSA form has been expanded to 11 of the most common languages spoken by English learner students and their parents
- Simplifies the application process for foster youth, homeless and unaccompanied youth determinations
- Applicants who are unable to provide parental information, can submit their application as a "provisional independent student" and receive a calculated SAI and estimated financial aid

For more information, please see the <u>FAFSA Simplification FAQs</u>.

The 2024-25 CADAA will include some of the changes from the new FAFSA such as the incorporation of the Student Aid Index in lieu of the Expected Family Contribution. Although the number of questions will not be reduced on the CADAA, the Commission is working on making some enhancements per the recommendations of the Renewing the Dream Report that was released earlier this year. Commission staff are currently analyzing these recommendations and are working towards identifying which recommendations will be implemented for the 2024-25 award year.

## **Next Steps**

The Commission will continue to communicate with schools on the upcoming changes and how to best help students and their families apply for financial aid. Annual Statewide Financial Aid Workshops will be available throughout the state and virtually starting in August 2023. Registration will begin in late summer.

#### Need to contact us?

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