

# BREAKOUT SESSION #15

2024-25 FAFSA Processing/FAA Access Changes

Rachel Coghlan and Renee Wade

U.S. Department of Education

2022 Virtual FSA Training Conference for Financial Aid Professionals

# AGENDA

---

1. 2024-25 FAFSA Processing
2. 2024-25 FAA Access Changes
3. Important Dates

# 2024-25 FAFSA PROCESSING

---

# MODERNIZING THE CENTRAL PROCESSING SYSTEM

---

- As a result of the *FUTURE Act* and *FAFSA Simplification Act*, FSA is retiring the current Central Processing System (CPS) and will replace CPS with a new, modern processing system, called the FAFSA Processing System (FPS).
- As part of the FPS implementation, FSA will reengineer the current business processes that support aid eligibility determination and verification processes.
- The new FPS will be implemented for the 2024-2025 cycle.

# 2024-2025 PROCESSING CHANGES

---

- As a result of the *FUTURE Act* and *FAFSA Simplification Act*, there are a number of major changes to FAFSA processing, which will be enabled in the new FPS. These include:
  - Revised process for handling Federal Tax Information (FTI)
  - Replacement of the Expected Family Contribution (EFC) with the Student Aid Index (SAI)
  - Changes to FAFSA Form Field and Data Elements
  - Changes to Edits
  - Changes to the DHS Match
  - Verification Changes

# FAFSA PROCESSING & FEDERAL TAX INFORMATION

---

- The *FAFSA Simplification Act*
  - Relies on tax information that will be received directly from the IRS.
- The *FUTURE Act* allows
  - Federal Student Aid (FSA) to receive customers' federal tax information (FTI) from the Internal Revenue Service (IRS) for the purposes of administering the Free Application for Federal Student Aid (FAFSA®) form.
  - The law allows for the improvement of Title IV programs and enhances the FAFSA verification experience by allowing applicants to obtain their tax information from the IRS.

# HANDLING FEDERAL TAX INFORMATION (FTI)

---

- With the implementation of the *FUTURE Act* requirements, FSA systems, such as FPS, will no longer be able to retrieve and/or view raw Federal Tax Information (FTI) data from the IRS within their own systems.
- FSA has created a new system, the FTI Module, which is responsible for retrieving the IRS FTI and performing all processing that uses FTI.

# HANDLING FEDERAL TAX INFORMATION (FTI)

---

- The FTI data will be shared with schools via the Institutional Student Information Record (ISIR).
- The FTI data will be accessible via FAA Access through the new FTI Data View Application. This is a system that will be separate from FAA Access.

# REPLACEMENT OF THE EXPECTED FAMILY CONTRIBUTION (EFC)

---

- Leveraging the *FUTURE Act*, the *FAFSA Simplification Act* changes how aid eligibility (e.g., Federal Pell grants) is calculated and determined, including the replacement of the Expected Family Contribution (EFC) with the new Student Aid Index (SAI).
- The new SAI will be used as the official calculation beginning with the 2024-2025 cycle.

# STUDENT AID INDEX (SAI)

---

- The Student Aid Index (SAI) is a number that determines students' eligibility for certain types of federal student aid.
- This number is calculated with the SAI formulas, which use the information that students provide on the Free Application for Federal Student Aid (FAFSA®).
- The ISIR will include the SAI, intermediate values, Maximum Pell Indicator and Minimum Pell indicator.

# STUDENT AID INDEX (SAI) CONTINUED

---

- The SAI is divided into three formulas, each described in more detail below:
  - Formula A, for dependent students;
  - Formula B, for independent students without dependents other than a spouse; and
  - Formula C, for independent students with dependents other than a spouse.
- Student Aid index can be -1500 (rather than zero under EFC).
- SAI values can be capped on the upper end at 999999.
- There are no longer simplified versions of the formula.
  - This means there is no longer an Auto Zero or Simplified Needs formula.

# CALENDAR YEAR EARNINGS DATA

---

- Federal Work Study (FWS) is required for the SAI calculation, but it is not a field on the FAFSA Application. FPS will have an interface with COD to retrieve the earnings.
- The FWS amount will be available in FAA Access and provided on the ISIR.

# DATA ELEMENT CHANGES

---

- The *FAFSA Simplification Act* modifies the questions that students and their families must answer on the FAFSA form.
- While the total number of data elements (or questions) is reduced based on the *FAFSA Simplification Act*, the total number of fields (individual responses to questions) in the FPS system is significantly increasing.
- FPS will have data entry and processing edits for all the new and updated fields.

# DATA ELEMENT CHANGES

---

- Beginning with the 2024-2025 FAFSA, additional questions will be added to capture data for each person's role who is completing the FAFSA.
  - Student
  - Student Spouse
  - Parent
  - Parent Spouse
- Like the 2023-2024 FAFSA, all applicable data elements will be collected for the Student and Parent (if dependent).

# DATA ELEMENT CHANGES

---

- New for 2024-2025, additional demographic and financial data elements may be collected for the Student Spouse, Parent and Parent Spouse if FSA has determined that additional financial information is required for these roles.
- Beginning in 2024-2025, Independent Students will no longer be able to provide parental data on their FAFSA.

# UPDATES TO FPS EDITING

---

- As part of the FPS implementation, FSA will be modifying the process and output from the system surrounding editing. Some changes will include:
  - FPS will no longer set assumptions.
  - All requirements surrounding setting Rejects and Highlights will be reviewed and modified to align with the system and data element changes.
  - All Comment Codes (logic and text) will be reviewed and revised to align with the system and data element changes.

# CHANGES TO THE MATCHING PROCESS

---

- While most of the current Matches will not change, FSA will be modifying the DHS matching process.
  - For 2024-2025, FSA will no longer execute the Secondary Confirmation with DHS.

# VERIFICATION

---

- For 2024-2025, the Verification process will be using only the Random Selection methodology for both financial and identity verification.

# INTERFACING WITH FPS

---

- The new FPS will include not include a Test System. FPS will continue to provide test ISIRs.
- FSA will be providing new, refreshed Technical Reference Guides and Record Layouts. Draft guides and layouts will be provided as early as possible.

# 2024-25 FAA ACCESS

---

# FAA ACCESS UPDATES

---

- FAA Access will be revised as follows:
  - The FAA Access system will be designed from student centric perspective, rather than a function centric approach.
  - FAA Access will be integrated with FSA's Partner Connect System.
  - FAAs will have the ability to view more than 2 transactions in ISIR compare.
  - FAA Access will no longer display Federal Tax Information provided by the IRS on the same page(s) as tax information that was manually supplied by the application or parent.
  - FAA Access will have the ability for FAAs to *view* Federal Tax Information via the Data View application.

# FAA ACCESS UPDATES CONTINUED

---

- FAA Access functionality:
  - FAA Access will no longer have the capability to submit an original or Renewal Application
  - FAAs will continue to include:
    - Corrections: Ability to make corrections, perform overrides, and do professional judgements or dependency overrides.
    - Student Inquiry: Ability to view and print processed FAFSA records and compare information.
    - Verification Identity results: Ability to provide identity results if application has been selected.
    - ISIR Requests: Ability to request duplicate copies of ISIRs.

# KEY MILESTONES

---

# IMPORTANT DATES

---

- With the significant changes to the 2024-2025 FAFSA Processing, FSA plans to provide additional details in the coming months. Some important dates to remember are:
  - FAFSA Specifications for Software Developers
    - Draft Spring 2023
    - Final Summer 2023
  - Summary of Changes for Application Processing
    - Draft Spring 2023
    - Final Summer 2023
  - Test ISIRs: Summer 2023

# QUESTIONS?

[Rachel.Coghlan@ed.gov](mailto:Rachel.Coghlan@ed.gov)

[Renee.Wade@ed.gov](mailto:Renee.Wade@ed.gov)