

2024-2025 FAFSA CHANGES

FAFSA simplification changes are coming to Financial Aid.

The FAFSA Simplification Act was enacted by Congress as part of the Consolidated Appropriations Act of 2021. This law reduces the number of questions students will have to answer on the form, makes crucial changes to the Higher Education Act of 1965 to expand Pell Grant eligibility, and removes outdated restrictions to make federal student aid more accessible to all students. Explanations of the changes are listed below:

Student Aid Index (SAI)

The SAI is a number that determines each student's eligibility for certain types of federal student aid. The SAI is replacing the Expected Family Contribution (EFC).

FAFSA Contributor

A contributor is anyone who is asked to provide information on an applicant's FAFSA including:

- The student
- The student's spouse (if applicable)
- A biological or adoptive parent; or
- The spouse of a remarried parent who is on the FAFSA (the stepparent)

FSA ID & Consent

All contributors are required to have an FSA ID and to provide consent to have their Federal Tax Information (FTI) transferred from the IRS, have their tax data used to determine a student's eligibility for federal student aid, and allow the U.S. Department of Education (ED) to share their tax information with institutions and state higher education agencies for the administration of Title IV aid. Consent is provided once during the aid year and cannot be revoked during that year. Consent is necessary even if the contributor does not have an SSN, did not file taxes, or filed taxes in another country.

Parent of Record

- For divorced or separated parents, income and assets are reported for the parent who provides the most financial support even if the student does not live with that parent or lives with the other parent.
- If the parent of record has remarried, the income of that parent's spouse must be included on the FAFSA.

Direct Data Exchange (DDX)

- Everyone (students, spouses, and parents) will need to consent to have their Federal Tax Information (FTI) imported into the FAFSA. Unless student/spouse filed jointly or parents filed jointly, then only one needs to consent.
- Non-tax filers must also check the box to consent. When IRS Data is accessed, the process will verify non-filing status.
- To provide consent, the individual will need to access the FAFSA with an FSA ID.

Enrollment Intensity

Pell Grant amount is based on enrollment intensity (i.e., each credit of enrollment is a different Pell amount until 12 credits or above, then it is all the same amount).

Example of enrollment intensity: A student is eligible for max Pell of \$7,850 for the academic year. Seven credits for fall/12 credits = .58333 or 58%. $\$7,850 \times 58\% / 2 \text{ terms} = \$2,277$ Pell for fall. If the student attends seven credits for spring, they would receive the same Pell amount. For 2023-2024, this student would have been considered half-time and received 50% of Pell, not 58%. If the student enrolls in 11 credits for spring, 11 credits/12 credits = .9167 or 92%. $\$7,850 \times 92\% / 2 \text{ terms} = \$3,611$.

Federal Formula Methodology Changes

- Removal of the number of family members in college from the eligibility calculation.
- Family farms and small businesses must be reported as assets.
- The possibility for an SAI to be a negative number, with a minimum SAI of -1,500, instead of zero.
- The definition of family size has changed to align with the number of individuals reported as dependents on the tax return. Applicants may update family size if it changes after filing the tax return.
- Can choose up to 20 schools on the FAFSA.

Special Circumstances

- Financial aid administrators will continue to exercise professional judgment.
- A dependency override may be warranted when a student is unable to contact their parents or when contact poses a risk to the student. The financial aid administrator will make the final determination for a dependency override.
- Dependent students who indicate that they have unusual circumstances that prevent them from providing parent data will have their application processed with a provisional independent status. Aid administrators will make the final determination for a dependency override.

For more information, visit: studentaid.gov/help-center/answers/article/fafsa-simplification-act or contact the Financial Aid Office at financial.aid@mstc.edu or call 888.575.6782.



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