Unlocking Financial Aid

Navigating FAFSA Simplification and Supporting Students for 2025-26

Presented by:
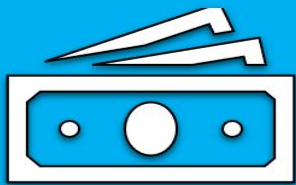Manuel Talavera, Training and Development Specialist, ISAC

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About ISAC

"Providing Illinois students with information and assistance to help make education beyond high school accessible and affordable"

We administer scholarships and grants to students across the State of Illinois

We provide professional development offerings on navigating the financial aid process, resources and support for underrepresented students, and understanding student loan repayment/forgiveness programs

Agenda

1. Background
2. General Updates
3. 2025-2026 FAFSA Changes
4. Information and Resources

Background

FAFSA Simplification Act

Full implementation went into effect in the **2024-2025** award year

Reduced the number of questions a student and family will answer

The Direct Data Exchange (DDX) replaced the IRS Data Retrieval Tool (DRT)

The Student Aid Index (SAI) replaced the Expected Family Contribution (EFC)

The FAFSA Submission Summary replaced the Student Aid Report (SAR)

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FAFSA Changes

- Students are required to answer questions about race and ethnicity – these answers are not shared with the colleges
- Students and parents will access the FAFSA using their own FSA ID (studentaid.gov account)
- A parent wizard tool has been developed to help students and families determine which parent(s) will be reported on the FAFSA
- Students will be able to list up to 20 colleges online
  - List 10 colleges on the paper FAFSA

General Updates

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Who is a contributor?

Anyone who is required to provide:

- A signature on the FAFSA and
- Consent and approval to have their Federal Tax Information transferred directly from the IRS

A contributor is:

- A student
- A student's spouse, if applicable
- A student's parent or parent's spouse

A contributor is not:

- Non-adoptive grandparents, foster parents, legal guardians, aunts or uncles, and brothers or sisters, even if they helped provide for the student

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The Roles of Students & Parents

The student is the main contributor - Their answers on the FAFSA will determine if any additional contributors will be required

Each student **will invite a contributor(s)** to complete their section of the form

Students **will submit** the contributor's name, email, date of birth (DOB), and social security number (SSN) — this must match the FSA ID

If a contributor (e.g., parent) does not have an SSN, **they will be asked to provide their mailing address**

Dependent students **will not** see a submit button until the parent section is complete

Everyone Needs an FSA ID!

- Each contributor (e.g., student and parent) will each need their own FSA ID to complete their sections
- If parents are married and file jointly, only one parent will need an FSA ID
- For parents who are married but file separately, or unmarried but parents are still living together: **both** parents will need an FSA ID
- For parent(s) who does not have an SSN, they also need an FSA ID
  - Follow these steps: https://studentaid.gov/announcements-events/fafsa-support/contributor-social-security-number

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EFC to SAI

EFC will be changed to SAI	Can be a negative number and as low as $-1500	The SAI:

- "An index that reflects the evaluation of a student's approximate financial resources" that can be contributed to their education rather than an amount the family is reasonably expected to contribute

- Individuals not required to file taxes, both dependent and independent students, will automatically receive a negative SAI of $-1500

- May contribute to a student's Pell grant eligibility, but **it is not the sole factor**
- Will calculate eligibility for other FSA programs
- Will **no longer** be divided by the number enrolled in college

Pell Grant Calculation

- A student's family size, financial information, and the federal poverty guidelines will be used
- Students are considered for a Pell Grant in this order:
  - Maximum Pell Grant
  - Calculated Pell (Max Pell minus SAI)
  - Minimum Pell Grant
- If a student does not receive a Pell Grant amount from the calculation, they will not be eligible for a Pell Grant

How do students determine their financial need?

Cost of Attendance (COA)*

- Student Aid Index (SAI)

- Other Financial Assistance (OFA)

= Financial Need

*Note: The COA may not be exceeded when packaging a negative SAI. Schools must convert any negative SAIs to zero for awarding purposes.

Parental Information

- Who is a parent for purposes of financial aid *has not* changed
  - Adoptive parents
  - Biological parents
  - Step-parents if married to a biological or adoptive parent
- If both parents (biological or adoptive) are unmarried but living together, report information for both parents
- For parents who are divorced or separated, **a student will report the parent who provides the most financial support within the last 12 months**
  - If the financial support is equal, then report the parent with greater income or assets

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Parent Wizard Tool

- Designed to help students determine which parent(s) to report on the FAFSA
- The tool will ask the student a series of questions to help them determine who to report
- Now accessible [here](#)

Reporting Tax Information

- Through the DDX, **<u>everyone</u>** is required to provide consent for their tax information to be shared by the IRS with FSA
  - **Non-tax filers**: the IRS will report no tax return is on file
  - **Each parent must provide consent if**:
    - Filed married filing-separately
    - Unmarried but living together
- If no consent is provided:
  - A student's SAI will not be calculated
  - A student will be ineligible for federal financial aid

Reporting Investment Information

Investment questions will not be asked for:

1. Those who make less than $60,000 a year
   - Parent(s) of dependent students
   - Independent students
2. Anyone in the household who has received means-tested federal benefit programs within the previous 24 months
3. A student with a negative SAI

If required to report investments:

- The net worth of any business and/or family farm
  - Exclude the home in which the student/family live in
- Child support received for the most recent calendar year

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Professional Judgment Policies

- There are two categories of professional judgment
  - **Special Circumstances:** adjusting data elements in the Cost of Attendance or in the FAFSA that can impact the SAI calculation
  - **Unusual Circumstances:** adjusting a student's dependency status based on a unique situation
- Schools *can no longer* maintain a policy of denying all professional judgment requests
- Schools *are required* to have a list of adequate documentation that can be used for making the request

What's the difference?

Unusual Circumstances	Special Circumstances
• Victim of human trafficking	• Loss of employment or financial assets
• Legally granted refugee or asylum status	• Reduction in income
• Parental abandonment or estrangement	• Tuition expenses at an elementary or secondary school
• Student or parental incarceration	• Unusual medical or dental expenses not covered by insurance

Provisionally Independent Student

- Designation for students who believe they may qualify as an independent student based on an unusual circumstance
- These students will:
  - Be able to submit the FAFSA
  - Receive an estimate SAI and Pell Grant
- A school's financial aid office will make the final determination based on documentation submitted
- These students will not be required to answer to answer information about their parent(s)

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Determinations for Unaccompanied and Homeless Youth

- The list of people who can provide a determination has been expanded
- The following sources are:
  - Homeless District Liaison
  - Financial aid office (even one from a different school)
  - Director or designee of a:
    - Transitional or emergency shelter
    - Street outreach program
    - Homeless youth drop-in center
    - Program serving individuals experiencing homelessness
    - Program supported by federal TRIO or GEAR UP grant

What can higher education institutions now do?

- Schools can accept documentation of independent student status from another financial aid administrator at a different institution
- Students who are deemed independent for financial aid purposes, can be considered independent for the subsequent award year(s) **only if** the student attended the same institution – the student no longer must submit documentation every year to meet the criteria

2025-2026 FAFSA Changes

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What we know so far…

- The 2025-26 FAFSA form will remain mostly consistent with the 2024-25 form
- The gender question on the FAFSA has been modified; male or female are now the only options to this question
- Contributor Invites: Continue to expect data matching challenges; Department of Ed is working on a solution
- Users with ITIN (no SSN) must manually enter financial information
- FSA has announced they will no longer require parent contributors to verify their identities due to the inability to use the DDX

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Importing Tax Information

- This page imports contributors tax information into the FAFSA
  - Contributors should remain on this page to ensure accurate import.

- If no tax information is available, a message will display: "Data not received.

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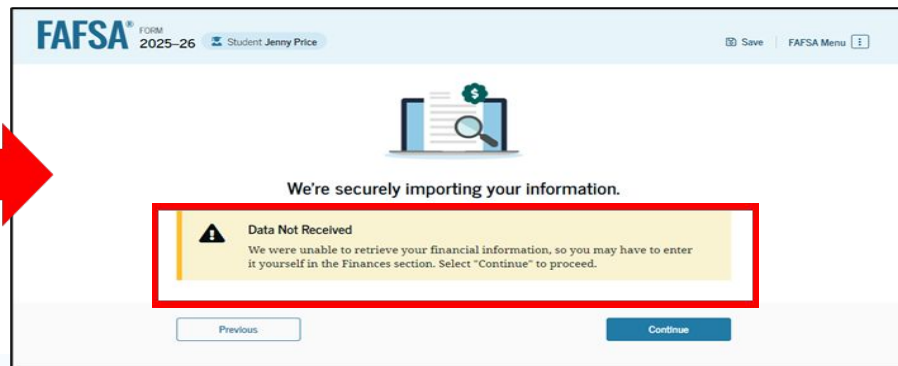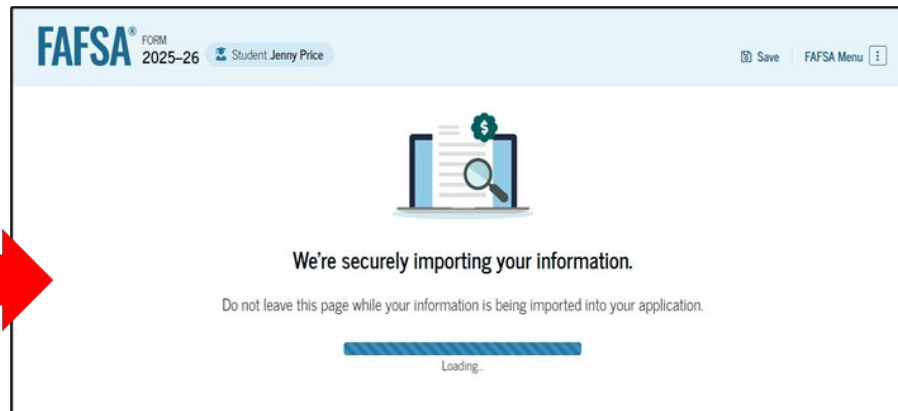
Attestation Form Updates

- For parent contributors without an SSN, there is a new online process for completing the attestation form
- The contributor should check the confirm and certify box and as of December 2024, FSA has announced that they are taking steps to enhance the process related to verifying identity
- FSA will no longer send emails with case numbers, until they develop a new system

Information and Resources

Open Issues

- This page follows issues related to the 2024-2025 and 2025-2026 FAFSA forms that the Department has identified and those it has resolved
- You should bookmark this page as it is updated frequently

https://fsapartners.ed.gov/knowledge-center/topics/fafsa-simplification-information/fafsa-issue-alerts

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FAFSA Privacy Notice

- The information provided on the FAFSA is used by the Department of Education (ED) to determine eligibility for federal student aid
- ED has systems in place to collect, share, and store your data securely
- While current privacy laws and agreements protect the use of your data, new and changing federal policies may impact the privacy of the data you and your parents/contributors share on the FAFSA.
- **For example**, current policies at the Department of Education (ED) and Department of Homeland Security (DHS) require DHS to verify citizenship status of the applicant but not the parent or spouse/contributor. We don't have specific information suggesting that this would be changed in the future but we also cannot guarantee that it will never be changed.

Alternative Application Privacy Notice

- The information provided on the Alternative Application is used by ISAC to determine eligibility for state financial aid
- ISAC has strict security and confidentiality policies and procedures in place to protect the integrity of student records
- ISAC only shares student data with the schools listed on your application, for the purposes of awarding financial aid or for research purposes
- New and changing federal policies may impact the privacy of the data

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Financial Aid Application Completion Report – Illinois

Completion Rate for the Class of 2025

We're **#2** on NCAN's FAFSA Tracker with a FAFSA Completion rate of **43.9%** as of February 14

National average completion rate is 33%

New Jersey	1	44.5%
Illinois	2	43.9%
Massachusetts	3	42.2%
Connecticut	4	41.4%
New York	5	40.8%
Texas	6	40.6%
Nebraska	7	39.2%
Tennessee	8	38.5%
Vermont	9	38.2%
Washington, D.C.	10	38.1%

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Financial Aid Application Completion Initiative

- High schools can track the FAFSA, Alternative Application, and Opt-out waiver completion in Gift Assistance Program (GAP) Access
- Use the ISAC roster for compliance for the FAFSA Graduation Requirement

Finding Your ISACorps Member

- They support students and families through:
  - Postsecondary and career exploration
  - Completion of financial aid applications
- Students can also schedule virtual one-on-one appointment by using **ISAC Bookings**

Connect with your local ISACorps Member

The ISACorps are here to help you through the college planning process! ISACorps members are recent college graduates from across the state that can help you with the ins and outs of selecting and applying to college, scholarship searches, student financial aid, and financial aid application completion. To find your local ISACorps member enter your zip code below, or book a **FREE one-on-one virtual appointment here.**

ZIP Code | **GO**

We Are Here to Help!

ISAConnection

A RESOURCE LINE FOR COLLEGE ACCESS PRACTITIONERS

I have a question…
We have answers
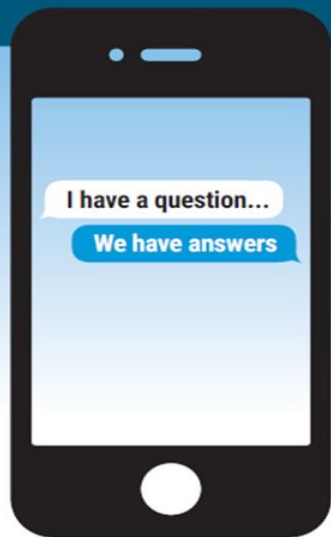
ISAConnection is your direct line to ISAC. Text with members of ISAC's Professional Development Team and get your college and financial aid questions answered!

You will also receive important updates and reminders about federal and ISAC programs and services.

Get started by texting your name to 847-250-2384.

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Professional Development from ISAC

- **_Free_** in-person and virtual trainings for school counselors, college and career staff, college-access professionals, and more
- Visit us at isac.org/pd to find an event near you!
- Trainings include:
  - FAFSA Line-by-Line
  - Working with Special Student Populations
  - Monthly Webinars
  - Financial Aid Certification Series

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The FAFSA Communication Toolkit from ISAC

- **NEW** resource guide to assist practitioners in communication with families and best practices regarding the changes to this year's financial aid applications
- Utilize the guide's examples to connect with stakeholders:
  - Emails to families in English and Spanish
  - Email to volunteers
  - Robocall script in English and Spanish
  - Flyers
  - Social media posts in English and Spanish

Sample Student Flyer – Workshop Date

FREE $$$

We will be hosting a FREE workshop to help you complete a FAFSA® or Alternative App on [DATE] at [TIME] in [LOCATION]!

Don't miss out on your opportunity to be considered for free money to pay for college.

Funds are limited, so mark your calendar!

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First Generation Scholars Network

- To join the **First Generation Scholars Network (FGSN)**, students can click the **JOIN NOW!** button on the Student Portal
- Joining allows students to:
  - Connect with an FGSN mentor
  - Find an FGSN program on campus
  - Join "check-in" events with other first-generation students
- Services are **free!**

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THANK YOU!

Questions? Contact me at
Manuel.Talavera@illinois.gov or at 312.590.7527 !

Sign up for ISAC's e-messaging service to receive the latest news and updates at www.isac.org/emessaging

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