

# NASFAA 2023 – June 30 General Session

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Speaker 1:

Ladies and gentlemen, please welcome to the stage Brad Barnett.

Brad Barnett:

Good morning. Good morning. I will not sing the Good Morning song to you, although it is rattling around in my head. Did you guys have fun last night at the welcome reception? I also want to give props to all of the people who came out to the 5K Walk Run yesterday morning. It was fantastic. Everyone finished vertically, which is good. You don't want horizontal finishers at a 5K. So thanks for coming out and raising money for charity.

Before we get into the awards, I think we probably want to address the elephant in the room this morning, which is the Supreme Court has come out with a decision on debt forgiveness. It has officially been struck down. So debt forgiveness will not be happening. NASFAA has put out a statement. You can see that at [nasfaa.org/scotus](https://nasfaa.org/scotus). So there is a statement out there. We do have a session and inside the beltway session this afternoon at 4:00, where we'll talk a little bit more about that, but just so you know, the room only holds 438 people.

With that said, please don't worry. I think you know and have confidence that NASFAA will have you covered on this. There will be information on off the cuff. There'll be information in NASFAA Daily News coming out. So there's going to be a lot more information coming out from NASFAA to you about this, but we did want to just address it and let you know that a decision has been made and is out there, and NASFAA is talking to reporters today. So there's lots of action and activity going on. So just stay tuned. There is more coming from NASFAA.

All right. With that, it is an honor to be here this morning to start the day by giving some awards to a few of our colleagues and our friends, and it's really special for me to be able to present these this morning because our award recipients today are people who I would call longtime friends and people who I've had the opportunity to work with in one capacity or another for years at NASFAA. So it's exciting to be able to honor them in front of you.

Today, we're going to be bestowing the award to three people, the NASFAA Lifetime Achievement Award. Previous called the Lifetime Membership Award, the board changed the name to emphasize the individual's lifetime achievements. The award continues to bestow lifetime membership in NASFAA and is the very highest the association can offer a member. The achievements and contributions of the individual must truly be outstanding and significant.

Our first recipient today, I'm pleased to announce, Lisa Hopper, Dean of Student Financial Services at National Park College in Hot Springs, Arkansas as our first recipient of the NASFAA Lifetime Achievement Award.

You guys also know I am deep from Arkansas, so go Pigs. For over 30 years, Lisa has been helping students and financial aid peers. To Lisa, it's been a calling that took her from CPA work to roles within the university finance, and finally to our financial aid community. As she leads the financial aid office at National Park College, Lisa has also been committed to the professional development of financial aid staff. She is a mentor and friend to many in her region and nationally. Even as president of SWASFAA

and her many leadership roles in the state, regional, and national levels, she makes everyone feel heard and needed at all levels. She has served in many capacities, including as AASFAA's treasurer and president. Lisa has also been very involved in the national level serving on the national board of directors, as well as several task forces. Lisa, would you please come forward and receive your award?

Lisa Hopper:

I feel like I just won the Olympics or something. So John F. Kennedy once said, "We must find time to stop and thank the people who make differences in our lives." Thank you, NASFAA, for giving me this chance on my very last workday of my 25-year career in financial aid and 31 years in higher ed to do that and stop and say thank you. First, I have to thank my Lord and savior Jesus Christ because my belief is by the grace of God, I am what I am, and He has blessed me with these opportunities. I have to thank my husband of 39 years, Brad, who's in the audience today. He hates to fly and he did this for me. He's always supported my dreams, thank my children, Megan and Dalton, who've enjoyed a lot of mom's business trips over the years, and thank my bonus son Chris and bonus daughter Maddie, and my four grandchildren, Isabelle, Elliot, Briley, and Hudson. If you're my Facebook friend, you have met my grandchildren.

My heartfelt thanks goes to my work family, especially my financial aid crew. Gail, Gala, Tasha, Joy, Tenil, and Amy, thank my administration at National Park College in Hot Springs, Arkansas. I have to thank some of my VPs. Janice Sawyer introduced me to financial aid. She was my predecessor and taught me a lot. Dr. Jerry Thomas, who is one of my biggest fans and my recent VP for seven years, and my new VP, Darla Thurber, who allowed me to attend this conference and I helped her with her financial aid.

Big hugs and loves my dear friends and financial aid at NASFAA and SWASFAA and AASFAA that I need need to thank for lifting me up with their smiles, and especially the ones who thought enough of me to nominate me for this award. Thank the students who have returned to tell me I have made a difference in their lives and have shared their success stories. These are the true rewards when you're called into this profession, and those of you who've been in this a long time know that it's a calling.

I'll close with one other quote from JFK, "As we express our gratitude, we must never forget the highest appreciation is not to utter words, but to live by them." I give you my promise to always strive to deserve the honor you've bestowed on me today. Thank you so very much.

Brad Barnett:

Congratulations. Man, what a way to go out your last day on the job. You get an award at NASFAA. This is like a mic drop moment. Well played, Lisa, well played. Next, I'm pleased to announce we will bestow the Lifetime Achievement Award to Lori Vedder, Interim Vice Provost of Enrollment Management, Director of Financial Aid at the University of Michigan Flint.

Lori has dedicated her career to helping students through financial aid and enrollment. She has always been a champion of our profession and has continuously served at the state, regional, and national level. Lori has especially been active in advocating for foster youth throughout her career. She has served as president for her state, regional associations and also as the 2018-2019 national chair for NASFAA. She has most recently represented her state by serving on the NASFAA 60th anniversary conference committee. She has a long career in our profession and is a recognized leader across the country. Lori is respected by her colleagues and is loved by many for her encouragement and mentorship of young professionals on their journey in the financial aid field. Lori, please come forward and accept your award.

Lori Vedder:

Wow. Thank you. Lisa, I'm envious. I'm sure several of us are right about now. Thank you, everyone. I am so deeply honored to receive this recognition and to have the privilege to work in a profession amongst 29,000 other amazing, talented, and hardworking individuals. I think today brings to me confirmation that the path I chose in financial aid and the passion that I have had for these past 35 years was the right one for me.

I'd like to thank my family for their love and support over these years. I would also like to add many thanks to my mentors and friends that I have made in this profession. You know who you are. I thank you deeply for touching my life and being so supportive and part of my growth in this profession. I just want you to know if you are a mentor of mine, I have made every attempt and continue to this week to pay it forward.

Matter of fact, if they're in the audience, I have four amazing mentees that are first time attendees to this conference. If they're here, would they stand? Lindsey, Caleb, Sandy, and Elvian, are you here? Remember these faces, folks, because they are going places if they're not already. Thank you, guys. You've been great.

I could go on this morning, but I know our minds are focused on all the learning we have to do over these next couple of days, especially with the coming changes to FAFSA Simplification. In all honesty, I thought about coming up here today with a scroll of papers like Senator Alexander did to drive home his point about simplification, but then I realized that I would need the entire NASFAA team and more to bring a couple of hand trucks up here with the documents it would now take to show him what has happened to simplification. So I pass that up, but let me leave you with this.

As we go through these changes, please remember that we are not alone. As I said earlier, there are 29,000 of us going through this at the same time. So whether you are a large school with a staff of 60 or a small school with only one or two in the financial aid office, no matter how near or far our institutions are from one another, we're here for each other. We're only as far away as an email, a phone call or a text. So please reach out.

So with that, I say let's walk side by side through these next couple of years as we learn and adapt and go through these changes together. We've got this. Hang in there. With all my love and respect for all that each of you do, thank you and have a great conference.

Brad Barnett:

Thank you, Lori, and for putting yet another song in my head. (singing) All right. One more to go. I'm pleased to present our final Lifetime Achievement Award to Karen Krause, Executive Director Office Financial Aid Scholarships and Veterans Benefits Processing at University of Texas at Arlington and your NASFAA Choir Director.

Karen truly personifies the ideal of service to the financial aid profession. For the past 30 years, she has been a tireless volunteer for NASFAA, as well as Texas and SWASFAA associations. Karen has served as a NASFAA board member from 1999 to 2004. She has served on the NASFAA nominations and elections committee, conference committees, awards committees, and as Commission Director for NASFAA. She's also been on several NASFAA task forces. So we're just naming a few.

In addition to Karen, has taught thousands of Texas financial aid administrator, some of the toughest subject matter in our industry for an incredible 17 years straight. As a faculty member at the TASFAA New Aid Officers workshop. She is viewed with such admiration and respect that she has served on the President's Advisory Council for every TASFAA president since 2006. This sustained record of service and leadership illustrates Karen's commitments to the goals of NASFAA, and the most strict and consistent

adherence to the ethics of the financial aid profession. Karen, would you please come forward and accept your award?

Karen Krause:

Wow. About six weeks ago, I got a call or an email from Natasha on the NASFAA staff telling me that I was getting an award. They don't tell you what award. They just tell you you're getting an award. I immediately felt a wide range of emotions. I was surprised. I felt gratitude, but then I thought, "What in the world are they thinking?" I don't know how I'm going to get that home without breaking it. That's what I'm thinking right at the moment.

Justin, I got into financial aid accidentally. You talked about that yesterday. I took a job. My husband was in graduate school. Now, I realize I interviewed at two different universities and both of those jobs were in financial aid in July. I didn't put that together at the time, but I've figured that out, but who knew that this would become a career?

Honors like this don't happen in a vacuum. You've already heard that by the others that have been up here and, Lisa, go SWASFAA, huh? There are two of us here. My various bosses at the four institutions, the four universities that I've served have encouraged me to be active in the financial aid community, allowed it and encouraged it. The staffs that I've worked with at all of those schools have been very supportive, and to pick up the slack to make it possible for me to be involved in TASFAA, the Texas TASFAA, SWASFAA and, of course, NASFAA. Two of my staff are here today and I'm pleased that they're with me here in San Diego.

My husband Ken hasn't always known which FAA I was attending. He just simply asked where I was going and when I would be home. As a professional musician, he's not been able to join me very often at these conferences. So I think some of you don't really believe he exists, but I do have pictures of him on my phone. I'll show them to you, and I wish he could tag along a little more often, but he is quick to remind me that it is okay to leave work at 5:00, at least sometimes, and that I can take a break occasionally.

I also want to say thanks to NASFAA for the work you do on behalf of the financial aid profession and on behalf of our students. We wouldn't have survived the alphabet soup of CARES, CRRSAA, HEERF, whatever those other letters are, without all the guidance that we received, and your training and advocacy work are very appreciated as we move into this new chapter with SAI, and I'm going to call it better FAFSA, better future, not simplification.

For those of you who haven't been doing this as long as I have, and I have been doing it a long time now, two of the best things to me about being in this profession are the colleagues who become friends, and some of you know who you are in the audience here, and the students that we serve. The regulations and red tape can sometimes make it feel like we don't make much of a difference. We get bogged down. So I was looking for a word to describe what we do, and I came up with the word worthy. Worthy is an old-fashioned word, but it means having value, being honorable and meritorious or being sufficiently important, and please know that what we do every day is worthy and it is good. Thank you all.

Brad Barnett:

What an honor to bestow the awards to these individuals. Okay. Are you ready for your first FAFSA Complication, I mean, simplification session? I knew it was going to come out sooner or later. Sorry.

You may have noticed in this program that we have a lot of FAFSA Simplification content for you, and today, we are proud to have our first session. I'm going to introduce to you one of the moderators of the session and speakers of the session to come forward and take things over. So at this time, I would like to

invite Gail Holt, Dean of Financial Aid, Amherst College and Chair of NASFAA's FAFSA Simplification working group to come to the podium and introduce the presenters for the rest of the session and get things started. Gail.

Gail Holt:

Welcome. My pack is still coming up, but it is a pleasure to open this foundational topic to all of our work and share ... We are sharing the job, really, of interpreting legislation and implementing successfully for our students, and we get to do that with our colleagues at the Department of Education, we get to do that with our colleagues that you are sitting with, and this is going to stretch us, this is going to grow us, and we are ready for the challenge.

In this opening session and as Brad said, there are several other sessions during the conference. There will be a detailed Student Aid Index closing session on Sunday that I hope you can attend, as well as perspectives about the change to the Student Aid Index today, this afternoon at 2:45 in addition to some other sessions as well.

Today, we have Karen McCarthy, who is our very own NASFAA Vice President of Public Policy and Federal Relations with us, and Karen really provides a financial aid administrators on the ground perspective in federal student aid policy discussions and debate. So you hear Karen on off the cuff and her guidance. I am privileged to have known Karen at the start of her school experience in financial aid. She has worked at Boston University where we got the opportunity to work together, but she's also been a financial aid administrator at Miami, University of Ohio and the Ohio State University. She's been at NASFAA since 1999, but been with the policies team since 2010. So thank you, Karen.

We also have the privilege this morning of hearing from Kerri Moseley-Hobbs, who, of course, works for the Department of Education. Kerri has a 20-year career in post-secondary education. She has been a financial aid expert in policy implementation and a liaison for the FAFSA, student eligibility, verification needs analysis, homeless youth, foster youth incarcerated students, community outreach and experimental states initiatives. So she has a wealth and vast experience and we're excited for her to share that with us today.

Also from the Department of Education is Kellis Robbins, and Kellis is a project specialist and has been serving as a project manager in the past with student aid and borrower eligibility reform development, but she's also project owner of the Federal Student Aid Estimator. So she's been bringing a human-centered design to the higher education experience, and for that, we are grateful and look forward to her contributions and sharing with us ways that we can partner together in bringing FAFSA Simplification to our students.

So we will kick it off. We will have the session. We invite you to bring your questions as we get to the Q&A portion. Just remember that some of the more detailed questions about SAI, you will have an opportunity to do that if we don't have a ton of time this morning. Also, I just want to remind you that the Ask A Fed is back at NASFAA. So you can visit and ask your questions with Ask A Fed and it is conveniently located near the ... What do we call it? The animal experience or the destressing. So I think many of our campuses have those opportunities for our students. So maybe it's good that we can take advantage of them well. So I turn it over to Kerri. Thank you.

Kerri Moseley-Hobbs:

I think I'm being forced to stand because the clicker was up here. That's okay. If you saw me this morning, I walked over here without my heels on, I put them on and then they make me stand. So we'll see how it works. First, thank you for NASFAA for not having us march out from Star Wars, The Imperial Returns. I appreciate that very much. If you hear from my bio FAFSA Simplification, it completely

exploded my world at Department of Education. Everything that it changed was my subject matter expertise at Department of Education. So the law passed, I took a week off. I'm not kidding.

So what I'm going to do here is I need to make the assumption that the majority of you know the basics because you laughed at his FAFSA Complication joke. So what I'm going to try to do today is go touch the basics a little bit, but I'm going to try to point out the things about FAFSA Simplification that you should really pay attention to as you move forward, throughout the other sessions as you go about, and as you develop your new policies and procedures and how you're going to move forward in your offices. Does that sound good? Okay.

Please, if you have questions, I'm going to be nice today and try not to speak slowly to spend all the time so I can be like, "Oh, so sorry. No more time for Q&As," and actually do Q&As today, but if we do run out of time for Q&As, you guys have a special treat this time. Those of us in policy who are here, we'll actually go to Ask A Fed to try to fill some of your most complicated questions that we are helping the training officers and everyone get the information out so you can pet a yoga goat while you ask these really hard questions. Now, if you happen to stunt someone in policy, you will win our forever impressiveness because we can't give you anything else under the law.

So let's get started. So what we're going to talk about today is the legislation, implementation overview, Better FAFSA Better Future, better pizza at Papa John's, '24-'25 FAFSA experience, and we'll leave you some resources and some references. As you can see, comedy is the way I try to lighten the room, which is why I was given the first session. So for the legislation, so you have to pay attention to it actually takes three pieces of legislation to make FAFSA Simplification happen. The fact that it needed three pieces of legislation is also why the implementation of it was a little complicated. So the first, legislation, that starts FAFSA Simplification is the Future Act, which passed December, 2019, and the Future Act is what created our connection with the IRS. So the Future Act is what gets rid of the IRS DRT and creates the new what we're calling the FADDX, so that we get the information directly from the IRS.

The Future Act, however, tells us specifically what we can get from the IRS. So anything that is not listed in the Future Act, the IRS will not give to us. So that's the first time our hands are tied, okay? The Future Act is also where we see the requirement of consent for federal student aid eligibility now. So when you see on the FAFSA where we say consent is required from all contributors, it's because the Future Act requires consent for federal student aid eligibility. So that's what I want you to pay attention to.

Now, FAFSA Simplification Act falls under the Consolidated Appropriations Act that passed December 27th, 2020. The Consolidations Appropriations Act. If we do schoolhouse rock, I'm not a bill, it's the Appropriations Act and they just threw a whole bunch of laws together and passed it together, and so somewhere around page 1,025 of that 5,000 page bill is the FAFSA Simplification Act. So if you could see my world exploded right around Christmas and before the New Year, it was a horrible experience. That's it.

So FAFSA Simplification Act changes everything that we know. So that's what changed the FAFSA application. That's what changes the EFC into the SAI. That's what changes the needs analysis formula, and I'm saying the needs analysis formula even though all my veterans know needs analysis creates the EFC, which is the new SAI, but I'm saying it a little differently because it also creates a separate formula for Pell Grant eligibility under FAFSA Simplification. It also creates the new program, the Prison Educational Program, which is based on the Second Chance Pell Experiment that we've been doing since 2014 to test returning Pell Grants to incarcerated students and how the administration of that would work should Congress choose to change the law and remove the prohibition of it.

FAFSA Simplification Act also require a lot of reporting requirements, things of that sort. If you've been bored and you've read the FAFSA Simplification Act, you can see that there's a lot of strong language in there now that also ties our hands literally about what we can ask on the FAFSA. FAFSA Simplification

Act is when Congress says to us, "You can't ask any more questions other than what we tell you in this law," and what is missing from the law? Everybody's favorite housing question is gone in the law.

Then they had us ask for number in college and then didn't do anything with it. So that took a lot of conversation to figure that out. Now, when we were planning the implementation of the FAFSA Simplification Act, we go through the process of trying to figure out how it works, how things changes, and how to move ahead. In doing that, we see a couple areas where things don't vibrate or things contradict each other. Congress notices that also, and so you have some technical corrections in the Consolidation Appropriations Act of 2022 that was signed into law in March, 2022.

So we have the Future Act that got rid of the DRT. We have the FAFSA Simplification Act that changes everything, and then we have to wait to some sense for the FAFSA Simplification Technical Corrections Act to correct some, I don't want to call it errors. I feel like as a federal employee I'm not supposed to say Congress did something wrong, but the things that weren't really implementable in the FAFSA Simplification Act. So we have three years of law changes in the midst of us having to redo and rebuild everything. So we were building and moving train. So that's why I want you to feel sorry for us and be nice.

So implementation overview. You know the FAFSA Simplification timeline. You've seen some of the changes on the FAFSA Simplification slowly go into effect. I'm not going to get too much into that. I think Melanie touches this a little bit more tomorrow morning, but you see the full implementation of the FAFSA Simplification Act starting with the '24-'25 award year. Of note, the Prison Educational Program that is in the FAFSA Simplification Act is actually effective July 1, 2023, so that's one of the biggest changes in FAFSA Simplification Act that comes in '23-'24. Pretty soon, you should see the Dear Colleague Letter come out about the application to do a Prison Educational Program and how that process will work.

So some operational changes in '23-'24 to pay attention to is the revision of cost of attendance. Most notable there for incarcerated students and cost of attendance was expanded. They still can't do room and board, but you can cover some of the costs for licensure if you have a Prison Educational Program, but I'll get into that later on about how the Prison Education Program provisions and FAFSA Simplification changes for incarcerated students in general, not just Prison Educational Programs.

In '23-'24, we also did the provisions for FAAs to exercise professional judgment and addressing applicant's unusual and special circumstances. Remember, FAFSA Simplification Act creates those categories, but it flipped it as you know it because we were using those terms anyway. So special circumstances is more financial things. Unusual circumstances is more about dependency status. To point out, homeless youth determinations was created in its own category on the FAFSA Simplification Act. A homeless youth determination is not a professional judgment because it can technically apply to a population of students. So all incarcerated students can get a homeless youth determination, whereas a professional judgment should still be done on a case by case basis.

Another thing to point out for the professional judgments for dependency status overrides on homeless youth determinations, they will carry forward subsequent award year, so you don't have to do it over and over again. Once you make a homeless Youth determination or an unusual circumstance professional judgment, unless you know that the student's circumstances have changed, you really can just carry forward that same judgment for subsequent award years. So that should make it easy for everyone. However, Kellis might point out later on because we're switching systems where the FAFSA is housed, if you make a professional judgment determination or a homeless youth determination in '23-'24, because we rebuild a completely different system, you may have to reset, you will, sorry, have to reset the flag in '24-'25 to carry over a professional judgment on homeless youth determination to '24-'25 because it's just the systems are not going to talk to each other.

You don't have to collect a documentation over. You don't have to meet with the student again. We would just need you to set the flag again in '24-'25, but for '24-'25 and carry forward, the flag will just appear in the ... What are they called when you ... Renewals.

Federal Pell Grant eligibility for '23-'24, we see the restoration of lifetime eligibility use for bars with certain loans discharged and successful bar defense to claim and the establishment of the Prison Educational Programs. You see the full removal of the selective service and drug conviction questions and we started collecting race, ethnicity, sex and gender via involuntary post application survey. Then we see the carry forward of the three existing homeless youth questions, which are now renewal eligible. Again, that's the carry forward of your determination, but you're going to have to reset the flags in '24-'25, so don't let that confuse you. Race and ethnicity, sex and gender will not be on your ISAR.

Better FAFSA Better Future. We're getting to the '24-'25. If you are around, please go to Dennis' presentation for the Student Aid Index. I'm not going to get too much into it, but to point out here, within the law for other financial aid, they use the term other financial assistance. So you'll see us using that in our terminology, but we know that you use it within your schools a lot of times as other financial assistance that's not your money. So since they use that terminology in FAFSA Simplification, other financial assistance and our documentation and resources is going to be anything that's not federal student aid, and the department still prescribe from writing regulations on the needs analysis except on cost of attendance that is not tuition and fees. So we cannot regulate the needs analysis formula.

Income on the FAFSA will now mostly be provided by the direct data exchange or the FADDX, and that includes AGI, taxes paid, number of dependents on the IRS tax return, whether the IRS tax form files were scheduled, whether or not they were scheduled, not the information on the schedule. So it's just going to appear as basically like a yes or no with some caveats about whether or not it was \$50,000 on the Schedule C as required in the FAFSA Simplification Act, and income earned from work. Now, if you're going to write anything down about the changes for SAI, please write this down. Income earned from work is a term that we will continue to use, but it's different than what you know it now. Income earned from work as you know it now is for who? Non-tax filers. So you can get the amount of income that they were using. Income earned from work is now coming from the IRS and it does not pull from the W2s. We still do not get tax information from the W2s. It is coming from the 1040, and that is because if you are a non-tax filer, you're getting an automatic negative 1,500 SAI and maximum Pell eligibility.

There is no use for income earned from work other than the charts that are on the back end for the payroll tax allowances to calculate the SAI, which is why it's coming from the 1040. There's no need for income earned from work for non-tax filers because there's nowhere to put it anymore on the FAFSA. It took me a while to wrap my head around that, so I just wanted to point that out to you guys.

Most formula tables remain, protection allowance, with slight adjustments to data points. So if you remember, it was the Educational Asset Protection Allowance. Now, it's just the Asset Protection Allowance. The Social Security tax allowance and the state and local tax allowance had been rolled up into a payroll tax allowance table, and those are the major changes with Student Aid Index in addition to the removal of number in college from the formula. Remember I said earlier, number in college is still on the FAFSA because it's a data element we are to collect, but it is not used in the SAI calculation. So we will release guidance, if we haven't done it already, that you can use number in college to make an adjustment if you deem it necessary. You can adjust the data element in the SAI if you would like. If you want to ask for some advice on how you might do that, catch me at Ask A Fed because I don't know if I should say it out loud. It might be a personal opinion or you can adjust the cost of attendance, but that is the only use for number in college right now.

If you ever done a hand calculation of the EFC, the final calculation right before you get the official EFC, the calculated outcome used to be divided by the number of college, it will not do that anymore. So



number of college almost becomes a professional judgment in a sense, but it's not really a professional judgment.

Student Aid Index can be a negative number, as low as negative 1,500, but for federal student aid purposes, you treat negative 1,500 as a zero. So what's the point of a negative 1,500? Your guess is as good as ours, but you can use it for your institutional aid and your state can use it for their aid. You just can't use it for any federal student aid. Those who are not required to file a return in the base year would get an automatic negative 1,500 SAI.

Now, it took some maneuvering to figure out how we was going to figure out who was not required to file a tax return because remember what I said about income earned from work? What did I say? If it's not on the tax return, we don't know income earned from work. So how in the world do you know if someone was required to file? Well, as Lisa said earlier in her acceptance speech, there by the grace of God go I. So we'll figure that out.

For Pell Grant eligibility, Pell Grant eligibility is separate from the SAI in some sense, but will consider the SAI and others, and this is the part that in the past three times I've done presentations about the Pell Grant eligibility, people are getting lost and that's scaring me a little bit. So I need everybody in the first 25 rows that I could see with a light flashing in my head. If we go a little bit over this, if you're not completely lost, nod for me. If you are lost, just go like this and I can know whether or not I come back after the 4th of July holiday.

So maximum Pell Grant eligibility is based on the tax filing status. So if you're a non-tax filer, you get a maximum Pell Grant eligibility. If you are a tax filer, you can still get a maximum Pell eligibility based on your AGI and the poverty level guidelines and family size. So the poverty level guidelines is not published by the US Department of Education. It's published by one of our sister agencies. I think it's agriculture publishes poverty level guidelines. For Puerto Rico and the other US territories, you are using the 48 contingent state poverty level guideline chart.

For people who are not eligible for a maximum Pell Grant eligibility, you may still get Pell, but it's going to use the SAI in a calculation rather than be based solely on the SAI. So the SAI, of course, replaces the EFC and you're going to determine a Pell Grant amount by taking the maximum scheduled Pell, which we publish every year, minus the calculated SAI adjusted for enrollment. Now, because as you see, the Pell Grant eligibility is based on a whole bunch of formulas, that fantastic Pell charge, what is it? The Pell schedule and disbursement chart, is that was its name? Listen, I have been engrossed with FAFSA Simplification, anything that exists now has been replaced. So you're going to see me stumbling over what things are anymore. So the Pell Grant chart that you guys are used to where we publish it for four time, three quarter time, half time, and less than half time, that goes away because it has no use. Everything is a formula now. So now, we're just going to publish and just remind you like, "Hey, here's the obvious. There's a formula, don't forget to use it." That's what it'll look like.

So it's the maximum Pell Grant eligibility minus the calculated SAI adjusted for enrollment. You will see us use the term enrollment intensity when we're explaining to you how to adjust it for enrollment. If you are not eligible for a maximum Pell Grant eligibility or what we're calling a calculated Pell, which is that second step, you may be eligible for a minimum Pell Grant. Now, minimum Pell Grant we know is 10% of the maximum Pell Award for the year. However, they created a special calculation of FAFSA Simplification. So someone who mathematically might not get a minimum Pell Grant may actually get a minimum Pell Grant calculated only if the student's SAI is greater than a maximum Pell Grant award, and that's also going to be based on poverty level guidelines table.

Each step is described in detail in the draft '24-'25 Pell Grant eligibility and Student Aid Index Technical Assistance Manual. Notice that we put the word draft in very large letters. So that's our contingency

plan to protect ourselves if we have to change anything, but for the most part, it should be complete and should be finished. I don't want to scare you, guys. I think in that area we are really confident.

So who gets a maximum Pell Grant? We went over that. Non-tax filers. Single parents and non-single parents, the poverty level guidelines are different in terms of percentage based on AGI and family size. You see single parents get a larger buffer for poverty level guidelines than non-single parents due in that regard. So keep that in mind. There are different poverty level guidelines percentages between single parents and non-single parents, and that's going to be consistent throughout. For applicants that are ineligible for max Pell, again, max Pell minus SAI will get you the Pell grant unless it's less than a minimum Pell, and then they move back to step three, which is calculating if they can get a minimum Pell. So I need you guys to get used to the fact that minimum Pell is still a thing, which is 10% of the maximum Pell, but it's also now a formula for eligibility. Two different things. Minimum Pell is still by definition 10% of the maximum Pell Award, but is also now a formula to determine Pell Grant eligibility.

Y'all with me? My first 20 rows are just staring at me like ... and I gave y'all clear instructions, yes, no. Okay. Cannot exceed cost of attendance. Pell still cannot exceed cost of attendance, and for less than full-time enrollment, Pell Grant is reducing direct proportion of enrollment intensity rounded to the nearest whole percentage point. There was the Pell disbursement and payment schedule. See, we put the note there. For that third bullet, Pell Grant reduced in direct proportion of enrollment intensity rounded to the nearest whole percentage. Keep in mind the enrollment intensity can be anywhere between two and 99 now. So the whole concept of you breakdown Pell based on 3, 6, 9 and 12 goes away. You base Pell now on 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, like that. Now, that probably won't be a issue for most schools because, generally, your courses are one credit, three credit, maybe a four credit with a lab. So there's a lot of enrollment to see proportions you're probably not going to have to deal with, but keep in mind, I want to point it out, that you are no longer tied to 3, 6, 9, 12. So that should be helpful for your students.

Terminology to notes. You can do some updates for things like family size, professional judgments are still professional judgments, and corrections are still corrections. You may not maintain a blanket policy of denying all PJ requests, but you do not have to approve all PJ requests. You understand the difference? You can't say to a school, a student or you can't have a policy to say, "We don't do PJs at all." You have to have a policy where you review a student's request for a PJ, but that does not mean that you have to approve 100% of your request. You must develop your policies and procedures to review PJ requests and you must publicly disclose the ability to do that.

We talked a little bit about the difference between special circumstances and unusual circumstances. Again, usual circumstances is really about dependency status, and special circumstances is really about financial things.

You see, I'm starting to rush because we got to get to Kellis, and I'm promised I'm trying to get to some Q&As. Unaccompanied homeless youth policies, you may review all requests for unaccompanied homeless youth determinations, must develop policies and procedures for reviewing homeless youth determinations and, again, the homeless youth determinations will carry forward to subsequent award year, okay?

Professional judgements and disaster and emergency economic downturn. I wanted to point out that the law actually gives you the authority to do income earn for work to zero in disasters, emergencies, and economic downturns, but remember what I said earlier about income earn from work, that it's only being used for the charts behind the scenes to calculate the SAI and it's only being used for the payroll tax allowance, and I forget the other one, but I think it's the Asset Protection Allowance.

So that said, the percentage of the allowances in the payroll tax allowance is not very large and substantial. So if you do a professional judgment and you only adjust the income earn for work, you're

not really going to make a huge difference for a student. It's really if you're trying to reduce income for a student, the AGI that you want to focus on and not the income earned for work, but I do want to acknowledge that the law does say that you can reduce the income earned for work to zero.

So really quickly, Prison Educational Programs. Under FAFSA Simplification Act, there's the creation of Prison Educational Programs, and what that also created is that any incarcerated student for Pell Grant eligibility needs to be in a Prison Educational Program. So even if they're in a local prison, they need to be in a Prison Educational Program now.

The law also defines an eligible Prison Educational Program. We have an entire resource on the Knowledge Center for Prison Educational Program that gives a lot of the definitions for Prison Educational Program. We outline some of the requirements. When you have a Prison Educational Program, there's additional people that has authority that has to work with you including oversight entities, and that includes the correctional facilities. We do not have the jurisdiction to tell the correctional facilities what to do within their facilities, so you have to work very closely with them if you do a Prison Educational Program. Keep in mind, you're going to have to show that a Prison Education Program is in the best interest of the student and we put that in quotations because we're leaving it up to the oversight entity to define what that means.

Also, if you have a Prison Educational Program, you're going to have to do some reporting and you still have to get that approved through your accreditation agency and perhaps your state agency if that's the way that you want to go.

Now, I'm saying all that quickly, but I don't want to scare you away from considering a Prison Educational Program at your schools. It actually went very well for Second Chance Pell Programs and there is a session here for, I think, the Vera Institute of Justice. Allen is doing a presentation on Prison Educational Programs. Vera has been a technical assistant for federal student aid through the Second Chance Pell Experiment. So they can answer any questions that you might have about how the current schools doing education in prison and administering Pell Grants, how that is going for them and what their experience is. If that's something that your school is interested in or if it's something your school is interested in or your president or your vice president has said, "We want to look at it," and you want to know how that works for you as a financial aid administrator, they can connect you to other financial aid administrators who are already doing it that can give you some advice.

So the Knowledge Center under new topics, there's a whole category for Prison Educational Programs that will give you everything that has been published in that area so far. Like I said before, Prison Educational Programs go live July 1, 2023, so they had to work a lot faster in terms of getting everything up and ready compared to FAFSA and SAI and the Pell Grant the way we have to do, okay? If you have any questions about Prison Education Programs, you can shoot them an email at [ped@ed.gov](mailto:ped@ed.gov). I have access to that email, but I'm not checking it.

'24-'25 verification changes, no substantial changes. Since you clapped, I'm taking credit. You're welcome. There's no substantial changes. We're going to do random selection and we have to do random selection because everything is new. The machine learning model has no idea what's risky at this point or what it should be looking for. So it's just going to be random. We will continue to try to keep reducing the percentage of FAFSA applicants that are verified, especially with us getting the information straight from the IRS now like, "What's the point?"

The changes that you will see when we do release the FRN is there is no point to a verification and non-filing anymore because either you have information at the IRS or you don't, but there's no point for verification non-filing for US tax return filers. You will probably still see that for non-US tax filers. The other thing is we're going to point out the change in the treatment of income earned from work. Income earned from work will need to be a verifiable item because it's on the tax return and if we're telling you

to verify AGI, it will make sense that we would say, "Hey, look at income earned from work also while you are there," but other than that, everything else on the FRN when we release information about verification, you should see more things going away than what you see being added,

That's it. So I'm going to hand you over to Kellis who will go over the new FAFSA form with you. Thank you.

Kellis Robbins:

Good morning, everyone. I can't promise I'll be as funny as Kerri, but hopefully, I will at least get your attention with some of the more visual aspects of the FAFSA experience and give you an idea of what the new form is actually going to look like.

As Kerri mentioned for special and unusual circumstances, we are changing the terminology. So I just wanted to quickly talk about how these processes might change for '23-'24 versus '24-'25. For '23-'24, if a student indicates they have a special circumstance, the student will have to meet with you or provide documentation in order to have that dependency override approved. As Kerri mentioned, that will not carry over into '24-'25, and so a student who does have unusual circumstances, that is the new term, remember for homeless determination, they will have to indicate that again on their '24-'25 FAFSA. When they do that, similar process. They will be instructed to either meet with you or provide documentation if needed or you can simply change that flag over if they did have it in '23-'24, and from '24-'25 forward, it will carry over.

A new difference as well is within '23-'24 and within the past, if they did indicate special circumstances, they were not given an aid estimate or an EFC. Going forward for '24-'25, we are creating this new term for that status called provisional independence. So if they submit that they have an unusual circumstance, they will be granted that provisional independent status until you approve that they are actually independent or deny it based on your judgment. When they submit their FAFSA with that provisional independent status, they will receive an aid estimate and a provisional SAI. Remember that SAI is replacing the EFC, the Student Aid Index. So they will have an idea of what their aid package could look like if their independent status is granted.

Some new concepts. Some of these you will have heard Kerri touched on, and I'm just here to expand upon how we are actually implementing these changes based on the legislation. The first three consent the FSA ID requirements and the roles and contributors are all tied together. So you're going to hear me jump back and forth a little bit on those. As Kerri mentioned, the Future Act does require that we collect consent for us to check with the IRS to see what data is on file. Everyone who is a party to the FAFSA, the student, any parents or spouses, for example, do have to provide consent for us to check with the IRS regardless of their tax filing status. If they are a foreign filer, if they have not filed taxes, we still need them to provide consent in order for us to determine whether the student is eligible for aid. If anyone does not provide consent on that form, the student will not be found eligible for federal aid.

This ties into the login requirement, the FSA ID requirement. We need a way to know that the person providing consent is who they say they are. So we are now requiring that everyone going forward who is participating in a FAFSA create their own FSA ID. We know this is a change. Going forward for '24-'25, we will no longer allow users online to access, create or submit a FAFSA just using their PII. They have to be authenticated using an FSA ID. To make this happen, however, we have also created new processes to allow those who could not previously create an FSA ID do so. This includes those without Social Security numbers. They can now create FSA IDs. There are some caveats around that, but everyone can get an FSA ID.

Now, to roles and contributors. Roles I'm sure are very familiar to you. We have those today, right? We have the student and the parent, and this new world roles are what we talk about when we say who can

start a FAFSA. The student, as always, can start a FAFSA as can a parent on behalf of the student. Contributors is a new concept. So let's say a student starts the form. They're a dependent student. They need a parent to come in and fill out part of the FAFSA for them. That parent is now a contributor to the student's FAFSA. They're not the owner of the application. The student is always the owner, but we need that parent's information in order to consider the FAFSA complete.

So a new difference to the process as well is that each contributor or role will have their own individual section of the FAFSA to complete. The student will have their section, and when the student has provided consent, filled it out, signed and submitted, in the best case scenario, student's done. They send an invite to their parent asking them to come participate. Parent with their own FSA ID logs in, fills out their own section of the FAFSA, consents, signs, and submits that section. If the parent is the last person we need, then that application as a whole is submitted for processing.

Some of the new contributor roles you might hear that we might require based on things like tax filing status or marital status are parent spouse or partner and student spouse. So depending on if they filed their taxes jointly with their current partner or they're recently married or remarried, we may need a second or third person to come in, those spouse roles.

That ties in to the communications and invitations workflow. As I mentioned, if we determine that more than one person is required to participate in this FAFSA, we have a way for the user to invite those people to come in. On the backend, we link them to their own FSA ID or to that of their parent. They accept the invitation, fill it out, and submit their section.

For the grouping and numbering of FAFSA data elements, we know there's been a lot of talk about how many questions are on the FAFSA. I can tell you that we have a maximum of 49 questions on the FAFSA across all roles, but no one will ever be required to answer all 49. For example, an independent student may answer only 24 or fewer questions in order to complete the FAFSA.

Now, each of these questions is composed of a group of data elements. So for example, under the question of identity, we have things like name, date of birth, Social Security. For the question of contact information, we have their physical mailing address, their email, their phone number. So we've logically grouped data elements together into questions. The question order is driven. It's driven based on key decision points where the data tells us the user experience should flow. So some of these groupings you are already familiar with. For example, dependency status. That will drive whether we need to potentially invite a parent or if the student is independent. Do we need to invite a spouse? Marital status, tax filing status, all of these key points tell us where we need to drive the user experience.

Then data pre-population. This is something we're really excited about. We've heard you that parents complain about not transferring data between multiple students applications. So one of the great things about this new roles based system with contributors is that if you are a parent on one application and you have a second child going to school and that second child invites you to participate, by agreeing to participate in that second child's FAFSA, all of the data you provided will automatically transfer over into that second child's application. Yeah, right? Pretty cool.

That also works across roles. So say you're a parent saying that the first FAFSA for '24-'25 you participated in was for your student, but you go back to school, we will take as many data elements as possible from that application you submitted as a parent and transfer and own it into your student application to, again, minimize the number of questions you have to answer. So whenever possible, we're taking data we already have about you and using it to help you and make your experience smoother.

We are also, because we are building the FAFSA from the ground up from brass tacks, we are trying to resolve as many of the pain points as we can in this new world. One of the things, hopefully, you're all

excited about is no more safe key. Yay. Because we are doing the invitation system, there's no need. We're going to be connecting users via the information provided on the invitations to their individual FSA IDs. So there's no need for a safe key to pass information back and forth.

As Kerri mentioned, no more IRS DRT. With the new FADDX system, we're getting the data directly from the IRS. We are also doubling the number of colleges that can be listed online. So students will now have the option of listing up to 20 colleges on their initial FAFSA form.

One thing we're also very excited about that I will show you a screenshot of later is the Parent Wizard. We've heard that it's always been a pain point of, "Who's my parent? Who do I put on the FAFSA? Who needs to be here?" So we've created a four question wizard to make that very clear to students who they need to be asking to participate on this form. Is it one parent? Is it two parents? Is it a parent and a stepparent? I'll walk you through those questions in a few minutes, but we have tried to make it crystal clear who needs to be participating in this FAFSA for the form to be submitted.

We also heard a lot that the SAR was not very intuitive. Students didn't really know what student aid report meant. So we've done a ton of usability testing throughout the creation of this whole form. This is one of the things that came out of that testing. Based on feedback we got from users about what they thought would make sense for the output of information after they've submitted their FAFSA, we came up with the term FAFSA Submission Summary. The content is the exact same of the SAR, more or less. It's pretty much an identical document. However, the new name is the FAFSA Submission Summary, and we're hoping that this will make it more intuitive for users and for you as financial aid administrators to direct your students to find this document if need be.

So here we have the Parent Wizard. As we get into these screenshots, I do want to make it very, very clear that the text on these is not final version. Hence, as Kerri had mentioned before, draft in big bold watermarks letters. So while the form will look something like this, I wouldn't pay too much attention to the actual words because we are still workshoping and finalizing those. So as you can see, the first question is, "Are your parents married to each other?" Pretty straightforward. If they say no, we ask, "Do your parents live together?" If they still say no, we ask if one parent provided more financial support than the other. Now, the key thing here is if the student says that their parents provided equal support or neither parent provided support, we ask them to proceed with the parent in mind that has the greater income and assets.

So with that in mind ... I know, I know. Don't shoot the messenger, but at least it's crystal clear, right? So with that parent in mind, we then take them to the final question is, "Is that parent with the greater income or assets remarried?" Based on whether they say yes or no, we direct the student to either invite the singular parent or parent and stepparent.

So this is what that invitation screen will look like. So say in this case that it's two married parents and we need two, we need the parent and the parent spouse slash partner to come participate in the student's FAFSA. The student will be asked to provide their names, their date of births, their Social Security numbers, and their email addresses. Now, we use things like name and Social to try and match against FSA IDs. If the parent already has an FSA ID on file, great, we will link that invitation directly to the parent's account so the next time they log in, they will see it front and center. If they don't, in that email invitation they receive, and the email the student provides does not have to be the same one associated with the FSA ID, just the best point of contact, the parent will be directed to create an FSA ID at that point. Now, if the student checks that the parent does not have a Social Security number, we're then going to ask for the parent's physical mailing address to try and make that match instead.

This is what that invitation to participate as a parent will look like. So you've gotten the email saying that, "Kellis has asked you to be their parent on the FAFSA. We need your help." When you log in, you're going to see this on your My Activity screen, that first dashboard page you view saying that, in this case,

"Raya," our demo student, "has requested your help." By accepting the invitation, you agree to participate in the form. If Raya is my sister, and this is the second FAFSA you're participating on, agreeing to participate in Raya's form will also include that agreement to transfer any data from my FAFSA, the first one you participated in into Raya's, the second, to make that process easier. If you decline, the invitation will go away, and if you did it by mistake, Raya will have the opportunity to go back and re-invite you.

We're also making it easier for people participating in the FAFSA, whether it's the student or the parent or the spouses, to get a better view of what the status is. In this view, this is the student's view of what they will see. They'll be able to see who they invited, in this case, the two parents, have the parents accepted the invitations yet, have they completed their section yet. We'll have versions of this screen as well for once the FAFSA has been submitted so that they can keep an eye on and very easily track where their form is and say, "Dad's taken a while to fill out the FAFSA." You can go nudge him, but we wanted to give them the most visibility into the form as possible to really encourage completions.

If you're the parent logging in, you'll see a similar version to the screen, and if you did need to invite your spouse to participate, you will also get to see if your spouse has accepted the invitation or completed their section as well. This one's a little bit mislabeled. This is not the confirmation page, but the section completion page. So as I mentioned, each role or contributor will fill out their own section, consent, sign, submit, and be done with their section. This is what that screen will look like. In this case, the student was the initiator of the FAFSA and the student has completed their section. So while the student can go and manually complete the parent section, we really encourage the parent to come and do that themselves because it'll save a lot of manual entry.

So I know that was a lot to throw at you. Hopefully, you feel a little less anxious about it, but if you need to re-review or go back and see the screens again or learn more about it, we have provided some references and resources here, including some of the webinars we've already hosted, but I highly recommend that you go to [fsatraining.ed.gov](https://fsatraining.ed.gov) to see the full list of webinars we are offering, including a full FAFSA demo of real screens, what they will look like in their finalized text later this summer. So now, I'm going to pass it back or Q&A, I guess. Be kind.

Gail Holt:

All right. All right. Very good. So we're going to start some Q&A. We do have time. So thank you very, very much to Kerri and Kellis for ... Thank you. Excellent. Appreciate that warm welcome. So as people are coming up to the podium, if you have questions, I'm just going to start with the first question. So it's summer, and in my house we've recently been trying to do some yard work and we had a big task. So I said, "All right. I'm going to start." My husband came out and he said, "All right. I'll be out in just a minute." So in my house, I want to know, "Does that mean you're just going to go back in the house and you're really going to come back in a minute and you're actually going to help me with all the yard work or will I see you in three hours when I'm almost done and then you come out and say, 'Oh, you've got this pretty well in hand.'" So the question is, where might we fall in thinking about the release of the FAFSA in that 30 days, 31 days in December? We've got an FSA conference that will happen right at the end of November and the beginning of December. Might there be some alignment there with the release of the FAFSA or might it be closer to holidays?

Kerri Moseley-Hobbs:

See tomorrow morning's session with Melanie Storey. She will have all that fantastic information for you.

Gail Holt:

So just like my husband, "You'll see me when you see me."

Kerri Moseley-Hobbs:

Melanie's in the front going like ... Yes, she'll have the information for you.

Gail Holt:

All right. We'll start on this side and we'll ping pong back and forth.

Speaker 10:

All right. Thank you. So I was questioned with the import of the IRS data after consent and with the removal of verification of non-filer. Has longstanding guidance from ed changed that it is considered conflicting information that someone is a non-filer when there is evidence of income above the filing threshold?

Kerri Moseley-Hobbs:

Yes, that will continue to be conflicting information that you resolve, but we're not asking you to collect anything necessarily that will trigger that anymore unless someone is selected for verification.

Speaker 10:

Verification.

Kerri Moseley-Hobbs:

Now, it's not so much that verification and non-filing is going away, it's just that technically-

Speaker 10:

We don't have to question non-filer status and get a verification of non-filing?

Kerri Moseley-Hobbs:

Yeah, because, technically, what we're doing on the back end is that the IRS is going to say whether or not they have anything, which is essentially what verification of non-filing that you're getting now does, right? It's the IRS giving the student documentation saying, "We don't have anything." So if they're already going to tell us that through the FADDX, we've already received verification of non-filing. So in the back end of our mind, we've already done that so there's no use to asking you to do it again, but if you find out that someone was required to file because you found out about income earned from work that was substantial somehow, then it would still be conflicted information.

Speaker 10:

Would it still be considered conflicting information if a filer's tax status appears to be wrong because that was another one we used to have?

Kerri Moseley-Hobbs:

So far, yes. I know.



Speaker 10:

We may press on that. Thank you.

Kerri Moseley-Hobbs:

You're welcome.

Gail Holt:

All right, we're going to take a question over here. It is 9:30 right now. The next session does start at 9:45. So we are going to try to take a few questions and just go over by a few minutes for those that will find this helpful. So we'll take the first question.

Speaker 11:

Great. Just a little clarification on the FSA login for non-SSN parents. So does the address need to match anything? Are there matches that need to happen? What problems or challenges do you foresee with that? Then second, would we still be able to do a signature, paper signature for and process the FAFSA that way?

Kellis Robbins:

I'll first say that the paper signature is going away.

Speaker 11:

Okay. Thank you.

Kellis Robbins:

Everyone will need to sign, if they have enough FSA ID, everyone will need to sign digitally. There won't be that printout again. For the match against for parents without Socials, if they already have a have an FSA ID, we will match against that. When they're asked to create an FSA ID, we're using a second because we can't obviously match them with the Social Security Administration if they don't have a social, we're using a secondary method to try and identity proof them.

Speaker 11:

Which is?

Kellis Robbins:

Am I allowed to say? TransUnion.

Speaker 11:

Okay. All right. Thank you.

Speaker 12:

Hello. Will financial aid officers have any visibility into contributor invitations or if a student hasn't had all those signatures completed, are we able to see any of that to help the student get that completed?

Kellis Robbins:

So if the application hasn't been submitted, you won't be able to see anything. However, if say the student fat-fingers their parent's social or whatever, the student can always go back in and fix that information and resend the invitation.

Speaker 12:

Thank you.

Brandy:

Yes. Hi. My name is Brandy and I had a question. I noticed on the parent invite that the second parent, it said optional. So do those parents don't have to provide their information or the spouse of the parent?

Kellis Robbins:

It depends. If the student indicates that their parent is married, we're going to prompt them to provide both parents' information to create an ideal situation where one of those parents comes in and helps. Then based on the first parent in, based on their answers to tax filing status, marital status, et cetera, that'll tell us whether we need the spouse's information.

Brandy:

So they're not able to opt out of their spouse if they're remarried.

Kellis Robbins:

If they're remarried, it depends on if they filed with that remarried spouse two years ago in the tax information. Whoever you're married to, if the person you are married to currently is not the same person you filed taxes with two years ago, we may need that second spouse to come in.

Brandy:

There going to be a consent. So for parents that file separately, taxes is-

Kellis Robbins:

Then both parents would need to come in. If they've married filed jointly with their current spouse two years ago, whether that's a remarried spouse or not, if they married filed jointly, then we don't need the parent spouse to come in. The parent will just be asked to provide select information about their spouse.

Brandy:

So there'll be separate consents going to two separate parents that are married that have filed separately?

Kellis Robbins:

Both parents in that situation would need to come in, consent individually, and fill out their sections of the FAFSA. Yes.

Brandy:

You're saying come in, like we're physically coming somewhere.

Kellis Robbins:

Log in, log in, log in. Sorry.

Brandy:

No, that's okay. Thank you so much.

Speaker 14:

Are you going to say something?

Gail Holt:

Yeah, go ahead.

Speaker 14:

Just waiting for you. Sorry. Kerri, one of the slides you presented, you said that the digital data exchange was going to also pull in dependence on the tax return. Is that correct?

Kerri Moseley-Hobbs:

Correct.

Speaker 14:

Okay. We haven't seen that before. Is that right?

Kerri Moseley-Hobbs:

You know it now as exemptions, but the exemptions no longer exist on the 1040 right now because ... What was it? Tax Cuts and Jobs Act removed exemptions from the 1040. So we're going to get a count of the tax filer, the spouse who's appropriate and the number of dependents that they claimed on the tax return.

Speaker 14:

So the FAFSA's not going to look at dependents. There's going to be a separate dependent question for the household.

Kerri Moseley-Hobbs:

No, no. The FADDX is just going to count, not the FADDX. The IRS is going to send us a count on the tax return. So let's say it's you, your spouse, and two kids dependent on your tax return. So the FADDX is going to say for your child's FAFSA four. So it's going to tell us ... Because you and your spouse did marry filing jointly, so that's two, and then you had two dependents, your son and your daughter, that's four. So the FADDX is just going to tell us your family size is four based on the two filings on your tax return and the two dependents on your tax return. It's just going to count.

Speaker 14:

Okay, and there's not a separate household, number and household question?

Kerri Moseley-Hobbs:

It's family size.

Speaker 14:

Family size.

Kerri Moseley-Hobbs:

Yes. So household size is replaced by the concept of family size, and family size is defined by the tax return now, where the household size, as you know it now, was just we were giving you parameters and then the applicant or the parent was reporting how many people was in the household size, but FAFSA Simplification Act says family size is based on IRS code. So it has to go by what's on the tax return.

Speaker 14:

Thank you.

Kerri Moseley-Hobbs:

You're welcome.

Gail Holt:

All right. We're going to have one more question and then we're going to ... Don't forget about the Ask A Fed and if you want to come up, you might be able to get a couple more questions.

Speaker 15:

Good morning. Kerri, thank you so much for lightening up the session for us this morning.

Kerri Moseley-Hobbs:

You're welcome.

Speaker 15:

So I have a question for you. You mentioned that number in college is no longer, it's going to be irrelevant. Did I hear you correctly?

Kerri Moseley-Hobbs:

It's no longer embedded in the formula, the SAI formula, but it's still relevant because you can use number in college to make a professional judgment, an adjustment to a student based on the additional cost of an additional child in college.

Speaker 15:

Okay. Will this be a variable item in verification? Would it be necessary to still have it as a verifiable item?

Kerri Moseley-Hobbs:

No.

Speaker 15:

Are we going to be able to still verify it?

Kerri Moseley-Hobbs:

You can still select any data element you want for institutional verification. You can.

Speaker 15:

I know that there are certain verifiable items that we have to verify in the verification.

Kerri Moseley-Hobbs:

So we're not going to list it for verification because it's not used for anything for SAI formula or the Pell Grant formula at all. So there's no need for us to select it for verification because there is no use for it. The only time there is a use for it is if you decide to use it. The assumption is in your process of deciding to use number in college, you've verified for yourself that there is an actual additional person in college that justifies you adjusting something, that element on the FAFSA or the cost of attendance.

Speaker 15:

Okay. Thank you.

Kerri Moseley-Hobbs:

You're welcome.

Speaker 15:

Just one more quick question. On the FAFSA you said, how would the contributors invitation works if the parent is filling out the FAFSA on behalf of the student?

Kellis Robbins:

If the parent initiates the form, then they'll be asked to invite the student to come in and then the student can accept or decline.

Speaker 15:

Okay. Thank you so much.

Gail Holt:

Thank you so much. Thanks everybody for sticking around and have a wonderful, wonderful day. All kinds of great information. Thanks, Kerri-