NASFAA 2023 – July 2 General Session

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Speaker 1:

Ladies and gentlemen, please welcome your NASFAA National Chair, Brad Barnett.

Brad :

Morning. You have no idea how much time and energy goes into picking out your walkout song. Huey Lewis just sounded like it would work. Well, you made it to the last day, so congratulations for hanging on.

Yeah, I appreciate everyone coming. San Diego has been a great site to have this conference. We've got a few things to do this morning. Remember, hang around to the end of the conference because we do have some prizes and giveaways, but you must be present to win. The first one is there. How about that? I ate my Wheaties this morning, don't knock it. All right, at this time I have the honor of presenting our check to our charity Student Without Limits. Students Without Limits is a nonprofit organization in San Diego that promotes legal, mental health and continuing education support to underserved minority and immigrant teens from low income families who will be first generation college students. On behalf of NASFAA and all your contributions, I'd like to present a check of $9,689.95 to Kevin Scully of Students Without Limits.

Speaker 2:

I did not prepare a speech, but just want to thank you all. Without your hard work and what you do, our students couldn't go to college. So just want to thank you. You guys play a major role in their lives and it just means the world to us and them, so thank you so much. Appreciate it.

Brad :

Oh yeah, absolutely. You're welcome.

Never given away a big check before, that's kind of cool. I like that.

All right next up, I have the privilege of announcing our last batch of award recipients for the conference, and this one is the NASFAA Regional Leadership Awards. These individuals are actually selected by their regions, not NASFAA. To receive the award they must exhibit high integrity and character, must have shown creative leadership and should have inspired and encouraged others to actively participate in professional development.

Now, the actual presentation of the award to the recipient occurs at their respective regional association meeting. But this morning I have the opportunity to announce who those individuals will be. So at this time, as I say your name, if you could just please stand and if you can hold your applause until we get through all of them. Then I'll announce who the recipients are and then at the conclusion of the conference today, those who are the recipients, if you can come forward, we'll get a group picture of everybody before you head home.

So here we go. EASFAA, Thomas Dalton, Associate Vice President, Sales and Marketing, Northeast and America. MASFAA, Chad Olson, Director of Financial Aid, Iowa State University. RMASFAA, Myra

Pfannenstiel, Director Financial Aid, Newman University. SASFAA, Marion Dill, Director of Financial Aid, Lee University. SWASFAA, Tricia Dubroc, Vice President, Louisiana Public Facilities Authority. And WASFAA, Anthony Morrone, Director of Financial Aid, Nevada State College. Please give all of our recipients a hand.

Helen will have the honor of presenting your awards to you at your meetings. Myra, I hope I did well by your last name.

Speaker 2:

You did it perfectly, Rob.

Brad :

Did I? Thank you. I want to thank Becca Doby for that. I asked Becca, can you just please call me and leave me a message on my voicemail with how to pronounce Myra's last name. When you see it spelled, you'll understand.

All right, so we're at the time of the program where it's customary for the Chair to say a few closing remarks, and not to sound like Martin Luther King Jr, but I had a dream last night. It was a strange one. I generally don't remember my dreams, so this was really weird. The dream was literally, I was here at the podium, I was giving my remarks, and then in the background I heard this rumble noise that just got louder and louder and louder. It got so loud, it kind of sounded like the mating call of two wild sea lions in Alaska.

And then I shot straight up out of bed and realized I just woke myself up snoring. Anybody else ever do that? I'm not the only one right? Okay. It was the strangest thing. And then I laid back in bed and I was like, I don't know how I recoup and go back to sleep after this. So hopefully you won't snore as I say my remarks, I don't know if there was any kind of premonition in there. But while it's customary for the Chair to say some remarks, I can tell you NASFAA never has any idea what we're going to say. So it's always kind of a risk on NASFAA part to say, here's a mic, go. So I'm going to say a few remarks this morning in particular to the NASFAA staff, so I'm glad they're here, most of them. As well as to a few of you who are also in the audience.

But to do that, I think I need to share a story with you just to kind of paint a picture of where we are and what I'm going to share. As any parent will tell you, I think it's fair to say that most of us make a lot of sacrifices for our children, with no real expectations that they fully understand it or appreciate it. We just do it, it kind of goes with a job of being a parent. My family and I are blessed that James Madison University is in an area of Virginia that is close to a ski mountain. It's provided my boys the opportunity to grow up skiing and ski racing. And as a poor child growing up in southwest Arkansas, I never thought I would even see snow, much less get on snow skis.

Drew, our oldest, became more of a recreational skier and moved into music and band as his hobby. Jackson, our youngest, on the other hand, became very passionate about ski racing, and he became very good. So he actually was the top rated alpine ski racer in the southeast in his division, two years. And we traveled up and down from Maine to North Carolina on lots of trips, supporting him in his endeavors. Supporting Jackson for me meant something like this. For three months out of the year, I went to work during the day and I came home and I was ski dad. If I wasn't tuning skis in the evening, we were on the hill at practice. If we weren't at practice, we were free skiing. If we weren't free skiing, then we were traveling to races. And when you travel to a ski race, you're not just going to the next field. You're often going to another state, sometimes states away for a race.

I recall one time that I was actually in Washington state on the west coast doing a standard of excellence review. We finished the review, I hopped on a red eye, flew all the way back to Virginia, landed at the airport, drove two hours home, got home, threw my work clothes away, grabbed my ski gear, jumped in the truck and drove five hours to another state for a ski race. It's just what we do as parents to support our children. Consequently, Jackson and I spent a lot of time together during ski season. We would drive up and down the East Coast. Sarah and Drew were supportive in that they knew I was pretty much going to be absent for three months, because we were supporting Jackson in something that he was so passionate about and he loved. One of the things I enjoyed the most about these trips, and they were very long, sometimes very gnarly conditions, was the time we had together and we had a tradition as we went on these trips. We are Harry Potter junkies. I'm House Gryffindor, by the way, in case you're wondering. Yeah.

So what we would do is we would listen to the Harry Potter books as we traveled. And we would go through the books and cycle through the books, and it was just our tradition. Stories we love, stories we can enjoy together, ways that we can eat in the time and ways that we can build some memories. So when Jackson was a senior in high school, it was time for his very last ski trip, the very last race. And we thought that it would be fitting during this season that we also ended with the very last Harry Potter book. So we timed it out that we would listen to the book and it would culminate with us coming home for his very last race. As we drove home from that race, we both sat in silence and we just listened to Jim Dale as he was wrapping up Harry Potter. When it ended... Well, we got home in the driveway and there was still a little bit of the book left, it hadn't quite ended. So Jackson and I just sat in the truck, didn't say a word, and we just listened.

Now, for those of you who are parents and you've experienced the finality of something with your child, the very last time, you know will do something that has meant so much to you and to him, it's heart wrenching. It cuts you deep. So we sat there and we listened. Nobody said anything, and Jim Dale wrapped up, Harry Potter was over, and I started to get out of the truck and Jackson stopped me. He said, Dad." He said, "I just want you to know, I know what you've done for me for these past 11 years, so I could do this, and I just want to say thank you." And I almost lost it. It was everything I could do, not to just break down in tears. Because our baby had grown up and we would never do this again. After I got through the emotion of that, here's what hit me. For 11 years, we did this together. He was always watching. It took him 11 years to say thank you, But he was always watching.

NASFAA, we are always watching. We may not always say thank you, but we are always watching. I want to tell you that on behalf of the 3,000 member schools and 29,000 financial aid representatives, thank you. Thank you for what you do. Thank you for your time and your dedication to us, and know that we're always watching and we're appreciative. So if you're NASFAA staff, please stand up so we can give you a round of applause.

During the opening, I recognized the board of directors and our chairs, our task force chairs and members. So today I just want to reiterate, thank you. Let all of you know that we have over 4,450 volunteer positions at NASFAA that need to be filled, and they're filled by many of you. It does take a village to do what we do. So thank you again for stepping up. I also want to take an opportunity to acknowledge some folks who are in the room. You can't do this job unless you have an amazing group of people back at your university to support you. And while we can't have everyone from JMU here, I am so appreciative to my boss for giving me this opportunity. And we do have three individuals from James Madison University who are here today, and I would just like to recognize on behalf of everyone back in our office. So Susan Moyers, Jess Hopkins, and Sherry Earhart, I know you are somewhere in here. If you could please stand up, don't be shy. I saw you walk in. There we go in the back, all right, thank you.

And then I would certainly be remiss if I didn't thank my family. My boys are now pretty much out of the house and right around the time my boys left, I started traveling to different conferences. So my wife went from a house full of people to a house that was very empty, like overnight. And knowing that she's okay with me being here and doing what I need to do, allows me to put my energy in this and time in this. My wife is simply a rockstar.

I shared this at the board reception and I'll share it tonight. Every time I would walk away and I would move on to another conference or I'd change out my bags and I would go to the airport. She's like, "You're heading to another conference, yeah?" I'm like, "Yeah, I'm heading to another conference." And she says, "I don't think you're going to another conference." She said, "I think you have a family somewhere else." And I can be pretty snarky sometimes. So I said, "You know what? Yeah, and my other wife is really hot." And then I proceeded to sleep on the couch for the next eight weeks.

So don't do that, guys. Don't do that. But in all seriousness, I felt the love and the support of my wife to do this, and I couldn't do it without her. And even though the boys weren't home, we have a monthly FaceTime call with our family. It's just great to talk to them and see faces and through text messages and phone calls. So Sarah and Jackson are here today. Can you just please stand up so we can all just say thank you?

And by the way, Jackson loved the vendor area, so thank you to our vendor partners. I think I have to buy another suitcase to go home. Lastly, I want to thank all of you. It's difficult to put into words really how special this year has been for me. I started with a goal of just wanting to help, as we used to pray with the boys when they were small, wake up every day and just have the ability to make a positive difference in at least one person's life. What I never, ever imagined were the blessings that I was going to receive from all of you in response from doing this. To those who heard me share my story, from the bottom of my heart, I thank you for how receptive you were, for your comments back to me and to the many of you who then in turn shared with me your story.

We have some incredible people in this industry who have done some amazing things and overcome a lot, and I think it's important at times that we remind ourselves of why do we do what we do? So thank you for being receptive and thank you for sharing. Here's what I know. We are an industry of resilient people. Every time something gets thrown our way, we figure it out, we help our students and we move on to the next things. Some days are more challenging than others. Sometimes the stumbling blocks seem higher than others. But together we have overcome everything and we will overcome FASFAA simplification. It will happen, or we will embrace it, however we want to look at it. It's with that, that I close my remarks and I say, thank you for being who you are. Thank you for supporting each other, and thank you NASFAA for your service and supporting to me this year.

You know how much I had to practice that, so I didn't cry? Oh, my lens. Thank you. I sincerely appreciate that. It's at this time I have the honor of passing the gavel to your next chair, Helen Faith. Helen has the heart and passion for what we do, and that's going to make her a great chair. So sit there while I say a few things about you. And I do want to thank Derrick Kendall, who he and I chatted a little bit. I had some stuff and I wanted to grab some stuff with him so we could just acknowledge who Helen is. So professionally, she's worked in several sectors, private, public, flagship, community college, graduate medical professional schools. So the range of her experience really speaks to the breadth of the NASFAA membership. She's also the first NASFAA chair in Wisconsin's history. Yeah. She also has better hair than me, so you won't have to worry about the shine when she comes to the podium

Personally, she is known to bike to work after she's taken the dog for a walk, finished baking a loaf of sourdough bread, the kids off to school and stop to take a picture at the lake. Remember, she lives in Wisconsin, and she has been known to bike to work in the snow. Of course, if you know Helen, you know she has an affinity for knitting. So the chances are in those snowy days when she's biking, she's knitted herself a scarf or a hat, in order to just keep herself warm. Odds are she's probably knitted a few things while she's been at this conference.

She's a karaoke queen. Just ask all the people I've seen her drag... I mean, take to karaoke after a meeting. And my guess is everyone here is a Facebook, Instagram, or some other social media friend of Helen Faith. You are getting a chair who is much more social media friendly than I am. So just get ready. Lastly, Helen, like many of us found her way into financial aid through a meandering journey. Attending school for music and arts, and getting a bachelor's degree in literature at UC Santa Cruz.

I knew it was going to be there, there you go. Proving the arts and humanities are lived out in many ways by deciding to tackle a career in financial aid. Helen, I know you will do an amazing job as chair, and I look forward to serving on the board next year under your leadership. If you can come to the podium, I will pass you the gavel.

Helen Faith:

Thank you so much. I didn't actually bake any sourdough before work the last time I biked in. I was completely not expecting that speech, so thank you. It now gives me so much pleasure to present an award to this person that I have observed over this past year, actually two years on the board. And I have such incredible, immense deep respect and appreciation for. The Allen W. Purdy Distinguished Service Award is one of the highest awards that NASFAA bestows, and may be awarded either for significant contributions in the furtherance of NASFAA's goals over a sustained period of time, or for a single contribution of such momentous importance as deserved the award. I am pleased to present the Allen W. Purdy Distinguished Service Award to Brad Barnett, Associate Vice President for Access and Enrollment Management and Director of Financial Aid and scholarships at James Madison University and NASFAA's 2022/23 National Chair.

With over two decades of experience in the financial aid profession, Brad has been active in state, regional and national financial aid associations as a presenter, committee member and chair and elected officer. A past president of VASFAA, am I saying that right? And SASFAA, he has also served at NASFAA in various roles, including Conference Chair, Standards of Excellence, or SOE peer reviewer, SOE Assessment Leader, and as Treasurer and Chair of the Financial Affairs Committee. Brad has been honored for his work by receiving the VASFAA lifetime membership award, VASFAA Excellence Award, SASFAA Distinguished Service Award, and NASFAA Regional Leadership Award. In addition to his financial aid activities, Brad teaches personal finance courses both online and in person at JMU, and provides financial counseling services on a professional basis outside of his role with JMU. We are pleased to recognize Brad for his significant contributions to the profession and to the association. Brad, please come forward to receive your award.

Brad :

I want to thank my mom. No, thank you. Thank you, Helen. I'm a little overwhelmed right now, so I'm usually not at a loss for words, so we'll just move on to the next part of the program, but thank you all very much. This year has been a ride and it really never would've happened without everybody here. So thank you very much for jumping on the train and riding along with us. Okay, so the next part of the program is we're going to bring up our speaker to talk about Student Aid Index. So let me explain to you a little bit how it's going to work, and then I'm going to provide an introduction. We do realize that there are flights that people have to take, so we want to move forward. We've had conversations about moving forward. He is willing to take questions, so we're going to do it in this way.

As you have questions, feel free to go ahead and line up at the mic. He's not going to stop halfway to take questions, but if we just get people lined up, then we'll be able to move into Q&A just a little bit faster. He'll bring another couple of colleagues up on stage for Q&A like we did yesterday. So you'll see Melanie will come back, Kira will come back, and then Dennis will be here as well. So listen to him as he goes through his slide deck. And then if you have questions, just come right up and then we're finished with that, Helen will come up and then wrap us out. Wrap up the conference so then we can all head home. I know yeah, I am the wonder mic, right?

Okay, so here we go. My last piece of official business, Dennis Kramer, is our primary speaker for the SAI session. You can see his full bio on the website, so I'm not going to read it, but I do need to give you just a few highlights for context as he comes up. Dennis joined the US Department of Education's office of Federal Student Aid in June, 2020 as a Senior Advisor of the Office of Student Financial Aid Experience and Delivery. He joined FSA's Office of Policy Implementation and Oversight as a Director of Policy Research and the analysis group in September '21.

Before joining FSA, Dennis served on the faculties of University of Virginia, John Hopkins University and the University of Florida. He earned his PhD in higher education policy from the Institute of Higher Education and the University of Georgia. He is a nationally respected scholar and published academic on topics including economics of education, higher education finance, federal student aid and the impacts of federal, state, and local education policies. Higher education access and completion, and labor market outcomes. With that, Dennis, can you please come to the stage for your session?

Dennis:

Hey everyone. So thanks everyone for showing up Sunday morning. Appreciate you all coming. I'm a little nervous because my colleagues were incredibly funny this whole week, and now we're ending with a very stoic economist. I don't know if that's like how we want to do this. But I'm really excited to talk about the Student Aid index and how simplification is going to work in 24/25. And so I guess I got to do my own slides, here we go. So just a little bit of context and an agenda to start. We're going to start with an introduction, a preview or overview of what's already been talked about legislatively, regulatory changes, and then do a quick introduction or primer on FTI. We had a number of questions yesterday about how income information is different in 24/25 that it's been in the last 10 years. Then we'll get into the nitty gritty of the SAI, the changes to the calculation, the formula, and then end with some conversations around how we are going to translate our SAI and our Pell eligibility calculation into scheduled Pell Awards.

As Brad said, please if you have questions, line up and we'll do our best to get through them all at the end, but happy to take any questions. So, as we talked about, there's been a number of regulatory and statutory changes that are driving a number of these changes that we are having in 24/25. The Consolidated Appropriations Act, the FAFSA simplification of 2021 were the fundamental underpinnings or the guidance for us in developing the 24/25 SAI calculation. And that really has led to this replacing of EFC to SAI. Now, show of hands, how many have been in financial aid since it was SAI, how many of you have... This is coming around as a second term. Awesome, right? Slightly different than the first version of the SAI, so we'll call this SAI 2.0. But again, this is as sort of a big outcomes, right? The SAI fundamentally changes the way not only we use data, but we calculate it. It also removes the zero bounding, lower bounds and allows us to create a negative 1,500 SAI.

PART 1 OF 4 ENDS [00:28:04]

Dennis:

It allows us to create a negative 1500 SAI. Fundamental changes to how we think about aid and aid calculation. We also know that that Simplification Act extends Pell Grants to more students, links eligibility to family size, federal poverty levels. It's a new approach to thinking about how we deliver aid and Pell Grants to our students. Then I know you heard from Kelis and others and other of my colleagues this week. It really is about streamlining the FAFSA form.

Part of this legislation or the changes we've had recently is about making a better experience for students. How do we create a mousetrap? How do we create a process that addresses some of the structural barriers that we know are in place for students when they apply for aid? I'm taking a quick second and say... and echo some of the sentiments from Brad. I am eternally grateful for the work that all of you do.

I was a first-generation college student. I had no idea how to fill out the FAFSA form. I had to call the financial aid office at San Diego State University. Any San Diego State University people here? Go Aztecs. I had to ask them to walk me through the process and they did. 45 minutes to an hour, they walked me through the process and I was able to submit the form. Without that help, without that kindness, I would not have gotten to college. So the work that you do is incredibly important and it's personal for me.

As we think about the form, as we think about streamlining the processes, we are all thinking about how can we address some of these structural barriers. So let's talk about the primer on FTI or federal tax information. As you know, we are transitioning from the data retrieval tool of the DRT to the Future Act Direct Data Exchange or the FADDX. Now on your ISIRs and on your information, the data elements themself may look very similar.

It's the income, it's the AGI. It's taxes paid. The way it comes to you and the way it comes to FSA is fundamentally different and the way it comes to us is driving a number of the system changes that we have to make at FSA. So now as we transition from the DRT, we are using this direct data exchange. When you enter into your FAFSA application, and I'm sure Kelis walked through this in detail, we are going to get information back from the IRS right away.

It's going to tell us if you have a tax return on file, if there's not one on file or if your tax return on file can't be shared with us. That is going to fundamentally drive the FAFSA experience you get online. The IRS is going to provide us data on your behalf rather than you providing data to us through the DRT. Now because the IRS is providing data on your behalf, that opens up a whole host of different or new protections that we as the department have to adhere to and protection that we have to pass down or ensure that are in place so that data is protected for you all to use for aid eligibility and determinations.

So as part of the Future Act, it authorizes us to use this data from the IRS for three primary purposes. For FAFSA and the aid eligibility determination, IDR, income driven repayment, and TPD or total permanent disability discharges. Those are the three primary mechanisms by which the FADDX or data provided directly from the IRS will be used. So why does this all matter? It may look the same, but the income provided under the DRT was user provided tax information. That means it was only... Or not only governed, but it was governed by FAFSA data use regulations, FERPA, Higher Education Act. But it was not governed by the IRS or IRC or IRS code.

Now that the data is coming directly from the IRS, we not only have to apply FAFSA data use regulations and FERPA regulations to that data, we also now have to provide all the regulations that the IRS has on their data. Because it's coming from a computer matching agreement or a matching approach, a direct data exchange, we have a whole host of other regulations that we have to have in place that ensures accuracy of the data, access to the data, verification of the record that was not in place prior when you were providing data directly or users providing data.

So this new approach has created a number of system changes. So we won't get too much into the weeds, but we had to create a whole new system that's compliant with the IRS 1075 publication that isolates data that's brought over from the FADDX into a specific system that has elevated levels of data protection. Now the good news is institutions of higher education were exempt from that regulation in the Future Act, but the department was not.

So a number of these system changes are coming as a function of being able to create these systems to handle the income directly from the IRS. Because of these stringent systems, we've had to create processes that allow us to do things that we've done in the past in a very different way. As you think about why this income information is different, what are these other regulations, want to reflect back on the fact that data coming straight from the IRS is very different than data coming from the DRT where our user is saying, "Yes, this is my data. Please submit it to FSA or the department on my behalf."

All right, so I imagine this is what you all are here for, is thinking about the major changes associated with SAI and our Pell eligibility determination. So I think at a very broad level, we want to think about aid eligibility and determination now not as a single process but as a multifaceted approach. At a very large level, we have three different ways in which an individual can qualify or become eligible for some form of a Pell Grant. So before, we just had an EFC calculation and you can create EFC tables. We all know from prior presentations, Keira hates tables. So because Keira hates tables, we got rid of all the tables.

Now we're going to this very simple approach to our calculation. You can qualify for a Pell Award through a maximum Pell eligibility calculation... We're going to get through all three of these in detail... your individual student aid index calculation or a minimum Pell eligibility calculation as well. So again, three different processes to qualify for a Pell Award. Just high level changes. We talked about this. I know we took some questions before. The first one that gets talked about a lot is that in the SAI, we no longer are dividing the final output by the number in college.

Now, I will say that part of my group does a lot of what does this mean for our borrowers going forward or our students going forward. There are a number of other protections and allowances that capture a number of the impacts of the number in college. So while we look at impacts by number in college, we know that other asset protections or income protection allowances address what might be captured by this... in the EFC, what was divided by number in college.

We also know that there's changes to income. So hopefully, the charts provide a really simple extrapolation of the changes, but we know that there are significant changes to the items that are included as part of income under FAFSA simplification. So I won't go through them all, but they're here for you to look at. But we know that we've seen some changes, particularly with child support moving from an income to assets and other streamlining of information. A lot of this is due to the direct data exchange and the provisions of the Future Act that limit what elements we can get from the IRS and from the tax return.

We know there's also been a number of changes in the allowances against income. In this case, you can see a number of these items were either removed or repurposed in a different way. We know that there are some items like cooperative education employment earnings, child support pay, paid combat pay, are no longer allowances against income in the SAI formula. We know that there's been some changes to how we think about what items we're going to use as allowances against income.

But again, the taxable college grants and scholarship aid as reportable income remains, education credits remain. The total taxes or foreign equivalent taxes paid remain and a number of other items remain as items in which we will give you allowances towards that AGI or that total income that's coming over from the IRS. We do know there's been some changes to the asset components. We had a conversation yesterday about the family farm and how we untangle personal property or personal residence within a larger farm facility. That's one of the changes in the asset component.

We also know that for businesses, there was a change in legislation that requires reporting of net worth of business regardless of the size of the business. So a change from prior guidance, which limited to those more than 100 employees or full-time employees, excuse me, to any sort of business needs to be reported under the SAI. We're going to talk about this also in the schedule Pell Award calculation, but one of the big changes we had is around enrollment intensity or how we think about enrollment.

We are moving away from categorical enrollment and one to more of a continuous measure of enrollment. I will say as a researcher and an economist, super excited about this. As an operations person, creates a number of challenges for us to think about. So I'm trying to play both hats here. But the legislation requires us to round or adjust schedule Pell Awards to a very... more micro level of enrollment intensity.

For those of you that work with veterans and post-9/11 GI Bill, this is very analogous to how we think about enrollment intensity in the GI Bill calculation. Then other notable changes. So family size, we talked a lot about this yesterday and we'll talk a little bit about it more today and happy to answer questions about it. Family size has been adjusted or the way we think about family size has been adjusted. Again, driven almost entirely by the data that we can receive from the IRS.

This is a balance between providing as much possible data systematically from our tax return to ease the process for students, while also capturing accurate representation of how large a family size is for calculation purposes. Now, as we talked about before, this is an element that individuals can adjust or at least has an opportunity to say, "Our family size has changed. There's been changes to the composition of our family," and that should be reflected in my calculation for aid.

As I teed up, we have a negative 1500 SAI now. We move from a zero EFC all the way down to a negative 1500 SAI. I will say that the big question we get about that, how do we treat that in packaging? From a federal aid perspective, we treat negative 1500 as a zero. If you subtract a negative, you would package over a cost of attendance. So for the purposes of packaging Title IV aid, that's treated as a zero. But in terms of understanding the need of students, that going beyond or going below zero provides a unique opportunity to identify students who are most needy, students who need the most support, students who might need additional aid or outreach because they're coming from a low income background.

Just the last bullet here, removes requirements to prorate for periods of enrollment of less than nine months. Okay. So let's talk about maximum Pell. So that's the highlight of the big changes. I know everyone's super excited. I see everyone looking like they're like, "Oh, this is going to be great." So the first step into calculating somebody's aid is to determine if they qualify for an automatic maximum Pell. Now I will say that maximum Pell calculation is based off of adjusted gross income family size and where that income falls relative to the poverty guidelines for their state of legal residence.

So poverty guidelines are dictated by the Health and Human Services. They're updated every year for the 48 contiguous states. There's the same poverty guidelines and territories. For Alaska and Hawaii, they have their individual poverty guidelines. So for the vast majority of students are going to fall under one table. That's going to be everybody but Alaska or Hawaii. So there's elevated levels of poverty guidelines there and the state of legal residence.

You can see here the definition of the state of legal residence... is the state in which the student reports if the dependent student reports their parents' legal residence and the state of legal residence that the student reports if they're an independent student. So it's important to note that for students, dependent students, their maximum Pell calculation is based off of their parents' AGI. It's based off their parents' income relative to that poverty guideline.

So if a student's parent was not required to file a federal tax return, meaning that they made less, they earned less than the requiring threshold, they would automatically qualify for a negative 1500 SAI. If a student's parents in a dependent situation were required to file and had an AGI reported that we got on their form, we would then bump that AGI up against one of two poverty thresholds based on if the parent is a single parent or not.

If they're a single parent, we bump it up against 225% of that state's federal poverty line. If they're not a single parent, we bump it up against 175% of that poverty line. In this case, students and applicants who qualify for a maximum Pell against the poverty threshold would receive an automatic zero SAI. We know they qualify for a maximum Pell, but we would then run them through the SAI calculation to see if they had an amount that was lower than zero based when we include their assets and other information.

So again, this is the first step that we would run individuals through to figure out if they qualify for a scheduled Pell Award. So in this case, this is for independent students. Again, very similar except in this case, we're not using their parents' income, we're using their individual income and spouse if applicable. So as I said here, if you were deemed to be not required to file a tax return, you would get an automatic negative 1500 SAI and you would not go through the rest of the process.

You can't get lower than negative 1500 SAI. We know you qualify for that and therefore, the legislation says that's your SAI. There's no reason for us to put you through the SAI calculation or the minimum Pell calculation. Everyone else who qualifies for maximum Pell relative to the poverty level will get a zero and then we will calculate your SAI and take whichever is less, so if you have a zero SAI from your maximum Pell calculation, but then you get a negative 600 through the calculation process, your SAI would be a negative 600.

Okay. So there's some fundamental shifts in the actual SAI calculation themself. So this is somewhat analogous to the EFC approach, but we have streamlined it in a number of different ways. One, now there's only three different formulas, taking in account that some individuals will not be required to file assets, which we'll get to in a second, but we have the standard three formulas. Formula A for dependent students, formula B for independent students with dependents other than a spouse, and formula C, independent students with dependents other than a spouse.

These are our three approaches, three formulas, all dictated by the legislation that have a little bit of difference in how we think about asset protection, income allowance, and what are the allowable income levels or income inputs into the calculation. So just put some notes here because we get a lot of questions on rounding and how do we think about this. First and foremost, I want to note that the Simplification Act removes a requirement to prorate a student's SAI for periods of enrollment other than nine months.

We know that similar to as we do now, all calculations should be carried to the third decimal place and then rounded to the nearest whole number. That's what I see here, and that there's no simplified needs test for the SAI formula. But it's important to note that certain applicants will still be exempted from reporting assets based on their of AGI that they report through their federal tax information.

So how does an individual qualify for tax reporting exemptions? So one is that a dependent student is exempt from reporting assets if they meet one of the following criteria; they qualify for a maximum Pell grant... this is, again, a dependent student... Their parents combined AGI is less than $60,000 and they did not file one of the schedules; A, B, D, E, F, or H, and they did not file a Schedule C or have a net worth for the business on a Schedule C of more than $10,000.

Then the third way you can qualify for not reporting your assets... if they receive benefits under a means-tested federal benefit program in '22 or '23 calendar year. This is for '23, '24, '25. So we can see that there are various mechanisms by which an individual would not have to report their assets on their FAFSA form, but it is a pretty complicated approach to understanding what a schedule A, B, C, D, F for our individual applicants might be.

It's very similar for an independent student who would be exempt from reporting their assets again if the applicant's income and their spouse, if applicable, was combined to be less than $60,000. Again, they'd have the same schedule filing requirements. Again, if the applicant qualified or their spouse qualified for a federal means-tested benefit, they would also then be exempt from reporting their assets.

So this exempt from reporting assets creates an extremely streamlined online FAFSA process for these individuals. They very much don't have to go through the complication of reporting their assets. But again, there is going to be a set of individuals who may fall outside of the poverty guidelines for maximum Pell that would fall into these guidelines and not reporting their assets on the SAI. Last wave. So let's say you go through step one, you do not qualify for a maximum Pell calculation or Pell Award through maximum Pell calculation.

And then your SAI exceeds the maximum Pell Award so you're not qualifying for a Pell award through your SAI calculation. You can still qualify for your Pell Award through a minimum Pell calculation. This approach is very similar to how we calculate maximum Pell, just different levels of poverty thresholds. So in this case, for dependent students, if you're a single parent, you're bumped up against 325% of the poverty guidelines for your state of legal residence.

If you're not a single parent, 275% of that guideline. For independent students, 400% if you're a single parent, 350% if you're not a single parent and then 275 if you're not a parent. Now I will note that if you qualify for a minimum Pell Award and your SAI calculation does not yield a Pell Award, you would still get your minimum Pell Award. So you can qualify for a minimum Pell Grant even if you don't qualify for a maximum Pell or a Pell through the SAI calculation.

So there are additional minimums for the SAI. You can see here just some additional extrapolation of this. We will say that a student who's eligible for minimum Pell Award under this guidance retains their calculated SAI. So if your SAI is 8,000 but you qualify for minimum Pell Award, we are not going to replace your SAI to correspond with a minimum Pell Award. Your SAI is still going to be 8,000, but you will get a minimum Pell Award based on that calculation. This is done in order to give an accurate representation of need based on the total picture of assets and income that is done in the SAI calculation.

Again, the data elements we need to calculate minimum Pell are identical to the data elements we need to calculate maximum Pell. So again, we can do both those calculations with the information provided. We just have differences in the poverty threshold as well as differences in if you have a dependent... for independent student, if you have a dependent child or not. Okay. We're flowing through because I was told I need to get done quickly so people can get on flights.

All right, so probably, the one that we get a lot of questions about is how does this then translate into scheduled Pell Award? How do we take the information provided from the max min eligibility determinations as well as the SAI and turn it into a scheduled Pell Award? So again, in '24, '25, we will no longer publish the Federal Pell Grant Payment and Distribution Schedule. So if you're looking for that Excel chart table, that's not going to happen. We are approaching it in a much more formulaic way.

To get a Pell Award, you're going to have it based again on three different approaches. An automatic Pell Grant, a maximum Pell Award, will get you the automatic scheduled Pell Award. If you qualify under that first step, maximum Pell eligibility, regardless of it's a negative 1500 or a zero, you will get the maximum scheduled Pell Award. We will then look to see do you qualify for a scheduled Pell Award when we take the difference between the annual max Pell Award amount and the individual applicant's SAI.

Online, we have a number of examples and we'll walk through I think one today. If the maximum Pell Award is 7,000, your SAI is 5,000. You would get a scheduled Pell Award of... Perfect. There we go. I feel like I'm back in the classroom. Side note, I think there's six students in here of mines. This is very intimidating. So we'll take that difference. Then if we find that that difference does not yield a scheduled Pell Award... So again, the example, the maximum Pell Award is 7,000 and your SAI is 8,000, that does not yield a scheduled Pell Award.

We would then check to see if you have a minimum Pell Grant flag. If you qualified under a minimum Pell or SAI unchanged, you would then get a minimum Pell Award. So again, rounding I think is really important because it yields to different outcomes depending on how you want to approach rounding. We have set guidance on how we and how the legislation tells us we should round these awards. So once we subtract the SAI from the maximum Pell, we then round to the nearest $5 to get the scheduled Pell amount.

It's very similar to the way we've done it in the past. That translates over from EFC to SAI. We then note, if a maximum Pell minus the SAI calculation results in a scheduled Pell Award that is less than the minimum Pell amount, so in this case, the minimum Pell amount is 700, but that subtraction yields a 500, the student is ineligible for Pell based on SAI. They may still be eligible based a minimum Pell calculation or the maximum Pell calculation, but if that calculation between the max Pell minus your SAI yields less than the minimum scheduled Pell Award, that student is now ineligible.

So there's just some other different rules here that we would outline. As we discussed, if a scheduled Pell Award exceeds cost of attendance, then that scheduled Pell Award will be reduced to the cost of attendance. Truncating cents but we don't have to round that. So if your cost of attendance is $6,001 and the student qualifies for 7,000, we'd round down their Pell Award to $6,001.

PART 2 OF 4 ENDS [00:56:04]

Dennis:

-- 7,000. We'd round down their Pell Award to $6,001, right? We wouldn't round it to the nearest $5.

In terms of trying to break down some of the terminology, I know Melanie talked about the glossary or the dictionary of terms. One of those is the Annual Pell Award. The Annual Pell Award, as we think about it, is the Scheduled Pell Award adjusted for enrollment intensity. Again, we're moving away from the categorical approaches of 25, 50, 75%, or full time to a more continuous measure of enrollment intensity. And that creates a number of complexities in thinking about how we package an award aid and how we adjust for changes in enrollment during the add-drop period.

The next slide, we'll talk about enrollment intensity a little more in depth, but want to just also say that there are provisions for Year-Round Pell, so students may be eligible to receive up to 150% of their Scheduled Pell Award for an individual award year. The Simplification legislation does make one change to Year-Round Pell. Previously eligible students must have been enrolled for at least halftime during the period in which they are receiving that more than 100% of their schedule award. The legislation removes that halftime enrollment requirement for 24-25, but it makes no other changes to the Year-Round Pell provisions.

Again, the Year-Round PE is not discussed in here or in our resource online. And we can provide examples of that in future webinars to help you think through that.

All right, so one of the big changes for us is enrollment intensity. What I'm showing here is essentially the enrollment intensity for what would be a standard semester- or quarter-based approach where 12 hours is equivalent to full-time enrollment. And so in this case, if an individual is enrolled in less than 12 hours, they would have sort of a calculation to figure out what their enrollment intensity is. In this example, if you're enrolled in seven hours, the enrollment intensity would be 58% and we would adjust your Scheduled Pell Award by 58% to get your Annual Pell Award.

I should note that again, similar to the way the VA approaches their enrollment intensity, you can't be enrolled in more than 100%. So if you have a student who enrolled in 18 credits, they're still going to get 100% of their Scheduled Pell Award, not going to get 140%.

And then there's also provisions for non-standard terms where the denominator of the full-time enrollment changes based on the terms of the program. In this case, 10 hours is full time for this non-standard program and you can sort of calculate from that denominator of 10 rather than the denominator of 12.

Just sort thinking about, what does this mean for thinking about the allocation of aid?

Again, there's many more examples and resources we have online. But for this example, we have a cost of attendance of 10,000, an SAI of 300, then we know if we take the maximum Pell, which in this example of 7,000, subtract 300, the SAI, you would get sort of a Scheduled Pell Award of 6,700. And this person was enrolled full time, so they would get 100% of the award split evenly, if they were in a semester distribution, across two or split evenly across three if they were in a quarter distribution. If this individual was enrolled halftime, we would then cut those awards in half. They enrolled in six credits versus 12 credits. Then their award would be pro-rated 50% based on their enrollment intensity.

Example here, you can see in the spring semester, they enrolled 50% of the time, so we adjusted their Scheduled Pell Award by 50%. However, in the fall they were enrolled 75% time, so we adjusted their enrollment by 75% for the fall and allocated that award. And so, in this case, you could see students who don't have the same enrollment intensity across each quarter or each semester would get a different sort of dispersed Pell Award. But in a semester setting we still get that 5,689, in this example, per semester divided by two, multiplied by the enrollment intensity. The same thing happens for a quarter distribution if you have variation in the enrollment intensity there, you can see in the fall quarter, about 25% for three credits, yields a $474 award versus the seven hours that a student took in the spring would yield $1,100 award.

Again, this creates complexity in understanding or identifying how changes in enrollment would impact the distribution of a Pell Grant.

Great. Before I hop here, resources. I want to say this. There are a number of resources here. We did publish a draft student eligibility index and Pell eligibility guide. We update it in mid-May. On the website as well, there are EFC to SAI crosswalks and there are additional information on how we think about enrollment intensity and how those enrollment intensities will impact awards. And then, we'll see, on the Knowledge Center, there's a whole section on the Knowledge Center that's available for information on the simplification.

Thank you all so much. I'm going to bring up my colleagues, Kira and Melanie, and we'll answer some questions.

Brad :

All right, we're doing a quick change here so we can have all of our FSA partners sitting together. We have mics, a good time for questions. So thank you very much, Dennis, for the information you provided and giving us time to ask some questions. So, we'll start over here on the left.

Helen Faith:

Hi, I just wanted to clarify. On the max Pell minus the SAI, rounded, if that's equal to less than the minimum Pell, they don't get any Pell?

Dennis:

[inaudible 01:03:17].

Helen Faith:

But if it's like the calculation yields less than zero, then we can still try the minimum Pell calculation?

Kira:

Why don't they come over here?

Melanie:

Oh, I thought he was answering. He has a lavalink, so I thought-

Kira:

Oh. For the second step calculation, if you do the maximum Pell minus the SAI and it's less than, his example, the minimum Pell would be 10%, 700. And let's say the Pell would've been 650. Under that calculation, they wouldn't be Pell. But then it moves them to that third step, which is that minimum Pell eligibility. So, instead of the annual Pell minus the SAI, it is going to look at AGI compared to poverty level guidelines to see if you can get a $700 Pell.

Helen Faith:

Perfect. That's how I understood it. And then it seemed like they didn't get any Pell if it didn't match.

Kira:

I know. It's so hard.

Helen Faith:

And I'm like, that doesn't make sense.

Kira:

Because like I was saying the first day, minimum Pell still exists, which is 10% of an annual Pell. But then we have that third step in a Pell eligibility that we're also calling a minimum Pell eligibility calculation. So, don't confuse those two things because 10% of max Pell will always be the minimum Pell and you never can get less than that.

Helen Faith:

Thank you.

Kira:

Unless it's like LEU, maybe. I don't know.

Brad :

Robert?

Robert:

Hi. I'd like to re-ask the child support question from yesterday because we all know that child support will be reported as an asset. But what the question was asking is, and I'm going to do it by example and I'm going to use the old language, if Parent One transfers $50,000 of child support to Parent Two, who is the parent providing the most support who should be responsible for filing the application?

Kira:

It's the asset of Parent Two because the legislation says child support received.

Robert:

Income, though. So, it's Parent Two received $50,000 of income and then they're paying from that to the child support. So, is Parent Two the parent providing the most support who becomes the parent on the FAFSA? We know it's an asset. We know that $50,000 has to report if Parent Two is the FAFSA parent. But what we can't get an answer to is, who is the FAFSA parent?

Parent one has-

Kira:

Consensus says it's Parent 2.

Dennis:

Well, I think it depends. The legislation is very clear on that we move toward the parent that provides the most financial support.

Robert:

Yes.

Kira:

Right.

Dennis:

Right? If that $50,000 is not most of the financial support...

Robert:

Parent Two is taking the $50,000 they receive from Parent One and paying the mortgage and the food for the child. But the money came from Parent One and so really, Parent One provided the money that's providing the support for the child. Who is the FAFSA parent?

Melanie:

It's Parent One provides support.

Brad :

No, Robert, who's on first?

Robert:

No, it's a serious question.

Brad :

No, I know.

Robert:

I appreciate the humor. But we have asked this question half a dozen times in the webinars and we've asked the question here. And we're told it's an asset, report it as an asset. This is a huge complication for us.

Melanie:

We hear you. We hear you. I hear you.

Robert:

Yeah, yeah.

Melanie:

You want to know Parent One or Parent Two. So, clearly we're trying to get it. We don't want to negotiate it up here. We understand financial income. We understand that Parent One is providing the information. I hear the question, hear that you've asked it on the webinar. Let me say this.

Robert:

All right.

Melanie:

We want to give you the absolute official right answer and I don't want to do that on the fly up here in case I have to correct it. And I don't want to do that to you. And I don't want to lead you in that direction.

So, what I will commit to you is we have another Q&A webinar on July 13th. I'm taking several questions from this meeting back to that that we will make that. We'll be taking questions from you all, but we will have some questions that we know we need to respond to. We will give examples. We will answer that question with examples of how much child support is transferred over and which parent would be the appropriate parent as part of that Q&A webinar on July 13th.

Robert:

Appreciate that. Thank you.

Melanie:

Yeah.

Brad :

And thank you Melanie, again, our FSA partners, because I appreciate the fact that they want to give us the best information. And we all have questions that we want answers to, but in some instances it's a hurry-up and wait just to make sure that we can get the right information at the right time. Thank you.

Melanie:

Yeah, no, it's all good, right? We know these are all new circumstances, new changes, and we live in the world of outliers too, right? We also have to bring up a system for the other 17 million, but we know that there's always those outliers and that we've got to figure it out. So, we take that. We understand that's the world we live too.

Brad :

Correct, yes. Thank you. All right, go ahead.

Speaker 3:

Quick question, hopefully simple and then a quick follow up. How will the new FAFSA identify a roll-over IRA?

Rachel:

That was my question too.

Dennis:

That was Rachel's question.

Speaker 3:

Because currently...

Kira:

We just figured this out with the IRA. So, the IRA distribution on the tax return is like, I'm just going to make up the line item, 4A and 4B, the taxable, untaxable. We just went through the IRS and they said that the rollover amount when they give it to us, I believe, is going to appear in either the 4A or the 4B. So, they're accounting for it for us already, even though when you file the taxes, some people write in the margin. So, the IRS is going to let us know the rollover amounts now.

Speaker 3:

Okay. And then just a quick follow up. Given that somebody has to pay for it, all the modeling I've done is my Pell grants are increasing on my campus. Can we expect the same level of individual Pell grants to students that we're seeing right now? Is that going to increase or is it going to decrease? Have we heard anything?

Melanie:

So, we expect Pell eligibility to increase. The part of the FAFSA simplification act was to expand Pell grant eligibility, both the amount of Pell grants that students may receive as well as the number of students who do receive it. So, your modeling aligns with what we expect from the program.

If your question is more broadly about appropriations and the maximum Pell-

Speaker 3:

Yeah.

Melanie:

I won't get too deep into the weeds of the budget process and appropriations, but Pell is a quasi-entitlement. Year over year, sometimes we run a surplus, sometimes we run a shortfall. Congress will fund us as they see fit with a maximum Pell. If the eligibility expansion is such that we run a shortfall, that is a hole that we fill later in the next budget year. But that has historically always been the case. Like I said, we sometimes run surpluses and shortfalls. And then for those of us who have been around a very long time, there have of course been years when, in the middle of the cycle, they have done adjustments. I think it's been 20 years or more since that happened. I don't have any expectation that we would see that. It's just a budgetary exercise of smoothing out that surplus and shortfall.

Speaker 3:

Thank you very much.

Melanie:

You bet.

Brad :

Okay. Over here?

Rachel:

I have an additional clarification question about rollovers. So, are you saying that DDX is going to be able to identify the rollover from the 10-40 and exclude it? Or are you saying that they're going to identify what the rollover is so that we'll exclude it?

Kira:

What we understand from the IRS is they're going to identify it and then they are excluding it.

Rachel:

So, when the data comes in, you're saying we don't have to worry about anything.

Kira:

You shouldn't have to do anything. Yeah.

Rachel:

Okay. Thank you.

Kira:

You're welcome.

Brad :

Okay.

Speaker 4:

Okay. So, now Pell Grant is being adjusted by enrollment intensity. Does the cost of attendance for less than full-time now have to reflect enrollment intensity? In other words, do we still do halftime, three-quarter, and less than halftime? Or do we have to do differentials for each credit below full-time?

Kira:

Pending. That's pending.

Brad :

Is there any chance that would be addressed in this novel DCL that you referenced yesterday that's coming out?

Kira:

Yeah, it likely will be addressed in that.

Brad :

Okay.

Kira:

And the reason why it's pending is because the SAI not being prorated is not our opinion. It was legislative, but they didn't say the same thing about cost of attendance and we understand the math wouldn't make sense, so it's pending.

Brad :

Okay, thank you. Over here

Rachel:

For the Pell enrollment intensity, how do we handle half credit hours? Where would we round or at what point?

Dennis:

I think you still use the same half credit over the denominator of the full-time enrollment and then round to the nearest percentage point.

Rachel:

Okay, so round to the percentage?

Dennis:

Correct.

Rachel:

Not at the credit hour. Okay.

Dennis:

Nearest whole percentage point, sorry.

Rachel:

Sure. Thank you.

Brad :

Okay.

Speaker 5:

Hi. I realized that SAI will not be prorated. However, will schools be allowed to prorate SAI for students attending one term or the summer?

Melanie:

No, I mean, the math doesn't make sense, right? And I probably am supposed to be more politic about that. Sorry, keep the Twitter down.

In candor, the proration language that was previously in the Higher Education Act, it came to some surprise to us about a year ago that it had not been included in the FAFSA simplification language. We have escalated that and we escalated it some time ago. We've written technical amendment language. And in candor, we've actually designed the system to calculate the prorated SAIs. It'll come to you as a blank on the ICER right now. But were we able to get a technical fix or some legal or statutory instruction to do it, we could fix that pretty quickly because we know it doesn't make sense and that it artificially makes students look less needy.

And so, this is one of those places that we're hamstrung by some unfortunate drafting that we are trying to build a solution for it and get some help with that as soon as we can, but right now we are stuck in that unfortunate situation.

Speaker 5:

Thank you.

Melanie:

Yeah.

Brad :

So, before we get to Howard, next question, I just want to let everybody know we will be updating the conference app with all of the latest presentations. You will have this as well. So anything that's not out there right now, don't worry. It will be out there within the next few days.

Melanie:

You'll have Dennis and Effie on SAI to go back and look at.

Howard:

Okay, well, I first would like to thank everyone involved for a spectacular conference, so thank you.

I think the question I have is simple and I think I know the answer. The answer is, it does not change, but I just want to make sure. So, right now we're supposed to use the '22 guidelines for poverty for the '24-25 application. If we use professional judgment and therefore the income changes to a different year, not prior-prior, does the '22 remain or do we move up to a different poverty line?

Kira:

The '22 is going to remain because the poverty guidelines are embedded into what is FPS down. So, it's within our system. You couldn't even force a 2023 poverty guideline.

Howard:

Got it. That's what I thought, but I wanted to make sure. Thank you everyone.

Kira:

You're welcome.

Brad :

Okay, over here.

Lucila:

Hi, my name is Lucila from Monroe College. I'm going to try to piggyback from the question of about the child support paid or received, but more in the context of the FAFSA filing.

The federal student aid always had this really great chart, "Who's my parent?" And so, we always asked the student, "Who do you live with?" Am I hearing that we are not going to be asking the student anymore, who do you live with? But more who is providing the more financial support? And if that is a yes, can then the chart that we have available be updated so that we can start assisting a lot of our students? Many of us do go to high school and assist the students at the high school to complete their FAFSA. Now we have to change the language, but we also have to train the high school counselors on this. I also would like to recommend, can high school counselor, if you have it in your database system or something, be sent information about what's happening, what's changing, so that they are also aware of what's happening with the FAFSA for '24-25?

Thank you.

Melanie:

Yeah, thank you. Kellis presented the "who's my parent" wizard. I think what I'm hearing is that we also just want to keep a paper version of that, a chart for the counseling community. We didn't say too much about it in our presentations, but we do have, and I think y'all are aware, the financial aid toolkit, which is a whole host of resources for the counseling community. We are continuing to update that. That also has a FAFSA simplification-specific section. That's great advice. We know that "who's my parent" wizard will be part of the FAFSA, but we certainly can update the paper information.

The second part of that is, we are 100% working with the counseling community, if not as closely, certainly almost as closely as we are with you all, through their associations, through their membership. We have our outreach division that we are working closely with. We are doing webinars. We will be doing a train the trainer with them coming up in another month.

Kira:

And the Knowledge Center [inaudible 01:17:43].

Melanie:

Anybody can access the Knowledge Center, but we understand the counseling community doesn't have the depth, doesn't necessarily need to know all of the details that you all do. So, we are very much doing a lot to support them.

Kira:

There could be a toolkit.

Melanie:

Yes, the financial aid toolkit.

Kira:

Yeah, has a whole section.

Melanie:

Yep.

Brad :

So, if I can just follow up on that for a moment, in the roadmap, there were seasons given for when things happened.

Melanie:

Yes.

Brad :

Can you talk a little bit more about when you might be communicating directly to students and parents? Because some of us, we're waiting at our university to communicate. But much to your point earlier, we don't want to communicate first just in case something changes and then we have to go back and change it. So, we want to go after you.

Dennis:

Yep.

Brad :

Can you give us kind of a sense of when you may be sending stuff out to students and parents?

Melanie:

Yeah, that's a good question. And so, I will say, I think right now our plan is to start sometime in August or July. I think it's actually July. I've been talking to our communications people.

It's funny because we wanted to talk to you all first, right? The whole thing is we wanted to get as much information out to you and counselors first because we know students and families aren't going to come to us. They're going to come to you. So it was important that we could get as much to you so that you can hopefully answer as many of their questions. So, we're in that pivot point where hopefully we have most of the information, the core information, out to you. Like I said, July is going to be a very big month for some additional information and then we'll start communicating some of the changes.

It's also tricky because we have two award years, so we don't want to confuse the '23-24 people, but we got to get the '24-25 people ready.

Brad :

So, if you're working on your communication strategies to your students and parents, I'm hearing sometime July, August, get ready to go out after the Department of Education goes out.

Melanie:

Absolutely.

Brad :

Okay. Over here, please.

Speaker 6:

Hi there. I have a follow-up question about the proration of the SAI. Specifically, we are at an institution, students change their minds. They may start off at the academic year and then they graduate early. They may not know that until, let's say, the middle of the fall semester. At that time, potentially, subsidized loans could have been dispersed. And then more specifically, work study could have been earned. And so, if a student has need during the academic year, but due to their graduation at the end of one semester, they could potentially become a non-needy student but they could have earned work study.

So, I'm just wondering, and I know that the proration is still, we hope that it could change, but then in the event that it doesn't change, is there going to be any guidance on how to resolve over-awards for some of these campus-based programs that currently have a tolerance?

Kira:

I would imagine that we would. And just to make sure that we do, Melanie is writing it down. The whole proration of the SAI, if you remember during my session, I was talking about the technical corrections is how we try to fix things.

Speaker 6:

Sure.

Kira:

And the probation of the SAI, not speaking to it for the cost of attendance, is the same thing. It's one of those places in the law where we were basically told, "Put all the fish and water, but don't get them wet." And that was pretty much the birth of my villain origin story. So, we'll keep working on it and whatever comes out, we'll try to explain it because we do understand that it's potentially an issue.

Speaker 6:

Great. Appreciate it. Thank you.

Kira:

Yeah.

Brad :

Over here?

Speaker 4:

Very related to her question. It's again about assuming that SAI proration does not happen. You've got a student who's going to graduate midyear in December and then finds out that they can't. So, the question is really, are we going to still have the loan period be the factor that controls cost of attendances? In other words, there has to be a relationship between the cost of attendance and enrollment period. So, if in a situation like that, I could extend the loan period into the spring term and have a longer loan period, greater COA, and the same SAI. But let's say the student withdrew partway through the fall term and comes back in the spring. My assumption is now I have to do a COA just for the spring with the full SAI to termination of eligibility for spring. Is that correct?

Kira:

That's all the angles we're looking at pending.

Speaker 4:

Okay.

Kira:

Y'all not going to get me. I'm going to keep saying pending.

Speaker 4:

And you know what? We appreciate you saying pending instead of-

Melanie:

And what Kira knows is that she's like, "Oh man, I'm going to have to write all this and figure this out." She's like, "Melanie's writing it down. That just means it's going to come over here eventually," or other members of the team.

I've already expressed some concern about this kind of disconnect. But what I'm hearing is that we need to provide some guidance and clarification. If it isn't fixed in '24-25, I can assure you, NASFA and others will have this on the '25-26 technical corrections list, as will be. And so, we're going to have to provide some guidance for all of these odd situations that potentially could occur with withdrawals and returns and those kinds of things.

Brad :

You going to put that in a chart, Kira?

Melanie:

No charts. No charts. No charts.

Brad :

Okay.

Kira:

I'm going to put this one in the chart and I'm going to make it real ugly and complicated, so y'all remember this moment.

Brad :

Over here.

Melissa:

Hi, my name is Melissa. I'm from Washington State University and I just had a curious question. It seems like we're aligning more with IRS tax filing rules. Is that eventually going to come down the line for dependency status?

Kira:

Which dependency status?

Melissa:

As far as age, like the 24?

Kira:

Oh.

Melissa:

Yeah.

Melanie:

I don't think so.

Kira:

I don't think so. I don't think so. I don't think so.

Melanie:

I don't think so either. I mean, that's speculative, right? Congress does lots of things to us that we never expect. Let's be clear. But I think really the alignment with the IRS was really about sharing the income information. That whole concept of not asking students that families report their income twice. The IRS has it, share it. I don't think it is about moving everything in -

PART 3 OF 4 ENDS [01:24:04]

Melanie:

IRS has it, share it. I don't think it is about moving everything in federal aid over to the IRS. That would be a much bigger thing. So I don't mean the dependency status for financial aid purposes is defined in the HEA, and I think I don't see any movement to move that right now or in the future.

Speaker 7:

Okay, thank you.

Melanie:

Yeah, sure. It's a good question. Not one I thought of.

Brad :

Okay. Over here.

Speaker 8:

Hi. So I'm one of those school counselors you talked about earlier, and so I definitely don't have the expertise of the room, but I work with a lot of families who have parents who are undocumented, and one of the things I'm worried about is the number of parents who are now going to now, if I understand correctly, they need an ID and I'm afraid they're going to refuse to do that. So my question is one, how do I, what happens in that circumstance, in those situations? And two, how do, what information can I have to alleviate their fears that an ID is now connected to your name, but you're going to be okay. Because I'm pretty sure saying the government says they're not going to do anything with that, is not going to work for them.

Melanie:

[inaudible 01:25:09] looking at me like, you're taking that one. So a couple of things there. So we understand, and we hear, and we will try to, we can provide information about what we will use the information for. I'm not sure that is, like you said, it's still government produced information and I understand that's going to cause some challenges for people. There are provisions in FAFSA simplification for students who can't access their parents' information. And so that will be at the discretion of aid administrators to work with those students who, for whatever reason, cannot access or cannot get access to their parents' information, and we expect that that will happen and we'll have to look at that. But that is one of the pain points, for now, requiring information and consent from all contributors, and one we're going to have to see how it plays out, I think, in '24, '25.

Brad :

Okay. We'll have these be our last three questions, but make sure and don't leave immediately. We do have, Helen's going to come up unveil the next conference. We have prizes to give away and you must be here to win, so you want to win these prizes. Okay, go ahead.

Speaker 7:

My question is not top three worthy, but Iraq Afghanistan Grant, so we talk about Pell calc, so will they be max Pell the amount or you all, no chart, but you'll give us guidance on that, too, or will it automatically be flagged on the FAFSA that they're getting the Pell and this is their SAI for Pell calc?

Kira:

Yeah, so what FAFSA Simplification does is it got rid of the Iraq Afghanistan service Grant and the children of fallen heroes as a separate category. So if you remember, under Iraq Afghanistan now, if they're not eligible for a Pell Grant, they can get a maximum Pell Grant amount, but it was called Iraq Afghanistan Service Grant. Now, Iraq Afghanistan Service Grant and Children of Fallen Heroes is an eligibility category of a Pell Grant.

So if the student had a parent who died in service for Iraq Afghanistan, well after September 20th, 2003, 01? Yeah, so if they meet the qualifications for the Iraq Afghanistan Service Grant or the Children of Fallen Heroes and there are some changes to the definition of a Public Safety Officer, also, for children are fallen heroes and they also added a age category, so pay attention to that. But if you have a student who meets the criteria for those two categories, then they'll get a maximum Pell Grant, and the ISAR is going to have a flag that says, "this maximum Pell Grant is because of Iraq Afghanistan Service Grant or Children of Fallen Heroes". But you should also know who those people are because you are the ones who are actually setting that flag because there is no database match for Iraq Afghanistan Service Grants or Children of Fallen Heroes.

Does that make sense? Where she go? I lost her.

Brad :

Okay.

Speaker 8:

Thank you.

Brad :

I have just been informed, just to sweeten the pot, some of our prizes are free registrations to next year's conference. I'm just saying, so you may want to stick around for just a little bit. All right, next question.

Speaker 9:

All right. Minimum Pell is 10%, but that enrollment intensity chart showed if you're taking only one credit, you're at 8%. So is a student taking only one credit eligible for that Pell disbursement?

Kira:

Minimum Pell is about a annual Pell award. So that first calculation that you're trying to figure out how much Pell a student is eligible for if they were assumption a full-time for your entire academic year. From that, you move into enrollment intensity, which, it could be 8% of it.

Dennis:

So you have disbursements under minimum Pell Award.

Speaker 9:

Yeah. Perfect. Thank you.

Speaker 10:

Two questions. The first one, hopefully, is quick. SEOG has always gone to maximum need, which we had a zero EFC. Should I assume, now, that's the negative 1500 going forth?

Melanie:

We will issue guidance on that. I will tell you that is a live question currently being discussed with OPE and the policy side, and then us on the implementation side, we're moving in that direction, but we will issue guidance about how to treat the negative SAI through zero for the campus base for SEOG.

Speaker 10:

Second one is about exemptions. On slide 21, there was an exception that was not read, but it's the exception about a dependent student whose parents, one live outside the US, or two, do not file taxes in the US or US territory. And they said they Are not exempt from reporting assets unless their non-filing is due to having income below the threshold.

Kira:

Yes.

Speaker 10:

Number one, does that also refer to the spouse of an independent student who meets the same criteria? Because since we're prior, prior is a good possibility the spouse may have, they may have all been living out of the country at that time.

Kira:

Okay, so I got to channel my inner misty.

Dennis:

Little more. Little more. Yeah, right there.

Kira:

If you have an independent student, I'm going to use an independent student, and the independent student is married, and you're asking me if the spouse has foreign income.

Speaker 10:

They could both have foreign income.

Kira:

Okay. If they both have foreign income. Okay. I'm going to give you the two scenarios. If they both have foreign income, with the exemptions or assets on the FAFSA, the first question you get is if you filed, and this is really applicable for I know a few of my friends for the Puerto Rican schools that are in here. This is really applicable for you on the FAFSA, the first question is going to be, did you file US tax return? If they say no, then another question is going to appear that says, did you file a foreign tax return? And then there's this little asterisk there that says Puerto Rican tax return and the US territories are also considered foreign tax return. If you say no to that, then you're going to be pushed into your non-tax filer, and you're going to get the negative 1500 at maximum Pell Grant that Dennis went over.

If you say yes to that, which says that you filed the foreign tax return, then it's going to push you to complete all of the income. It's actually going to push you to six questions. I'm sorry, one question with six options.

Melanie:

Six data fields in one question.

Kira:

Yeah. So it's going to push you into another one, which is one question with six options. And that is trying to get to the reason of which you filed or didn't file a foreign tax return. And one of those options is, I didn't file US tax return, but I'm also not filing a foreign tax return because I had low income. If you hit that, then you go forth and you go forward negative 1500 SAI.

If you say that you filed a foreign tax return, then it's going to push you to manually enter all your information, including the asset information. So there's a whole bunch of built-in if/ors to answer that question.

Speaker 10:

What if you had earned foreign income but you didn't file a foreign tax return?

Kira:

They're going to have to enter it in.

Melanie:

They have to enter it.

Kira:

They're going to enter it in manually.

Speaker 10:

That's one of the questions, also?

Kira:

Yes, that's one of the six options.

Speaker 10:

Okay.

Kira:

Six beautiful options there waiting.

Speaker 10:

So the same thing would happen for the spouse?

Kira:

Yes.

Melanie:

Yes.

Dennis:

Yes.

Kira:

Unless.

Dennis:

There's more.

Kira:

Wait, there's more. And this is para amigo that Puerto Rico, they know because we're working on this. So unless if the student filed a 1040 and they had a spouse that had foreign income and they filed a foreign tax return, if a 1040 exists in the FADDX, it's not going to ask them if they filed a foreign tax return. It's going to say, we have a 1040, moving on. We're trying to figure that out.

Melanie:

Without adding a question.

Kira:

Without adding a question to the FAFSA.

Brad :

So I have one final question to wrap us up, and I appreciate your time and I know you can't get into the details, and I completely respect that. Could you give us an idea of the topics that may be covered in this big, novel DCL that's coming out just so we know what to look for?

Kira:

So the novel is being published by Penguin, and it will be an audio book available. It's actually called the '24 '25 Implementation DCL. So it's going to cover, it's pointing out everything to you. So a lot of things that's in the webinars, a lot of things we talked about here, at NAFSA, a lot of things that we would talk about at the FSA conference. It's saying, here's everything that's going into effect for '24 '25. The reason why it's only about 18 pages instead of 50, because there's going to be a lot of places in there that's just going to point out the obvious and it'll be like the EFC, I mean the SAI replaces the EFC, see the SAI and Pell Grant guide at this link. So there's going to be a couple of places that just point you to somewhere else, but it's really a high level summary of everything. And the reason why it's so large is because most of implementation of FAFSA simplification is '24 '25.

Brad :

Wonderful. Okay. Can we thank our Federal Student Aid partners for being here with us today?

Dennis:

Thanks.

Brad :

Thank you very much. Yes, Melanie, thank you very much.

All right, I will now bring your new NASFA Chair to the podium, Helen Faith.

Helen Faith:

Sorry, logistics here. All right. Thank you so much for that presentation, Dennis, Melanie and Kiera. Dennis, I want to point out I really love that you highlighted the connections between researcher practice because that's something that I always seek to elevate, as well. I just want to show our presenters a little more love one more time. We're just so thankful for your partnership and the support we've had from you this week.

So in late January last year, it was really cold in Wisconsin, as you can imagine. I was not on my bicycle, but I was on my feet. I was rushing from my office to my PhD class on finance in higher education, which, coincidentally, was taught by 2017's Robert P. Huff Golden Quill Award winner, the truly exceptional Dr. Nick Hillman, whom I actually happened to meet while sitting next to him as he was receiving his award. When I got the call from past National Chair, Brenda Hicks, informing me that I had astonishingly enough won the election to serve as national chair elect, I was gobsmacked. I was elated, nervous, stunned, overwhelmed, and just really, really deeply grateful.

And do you know what I irrationally obsessed over from that moment forward? Any guesses? Hints? Justin touched on this a little bit. Brad touched on this a little bit this morning. That's right. I obsessed over walk-on music. I was super excited about picking my walk-on music. It had to be perfect. I wanted it to be uplifting, happy, and meaningful. I wanted it to express community and love, and I wanted it to relate to the amazing work that we get to do together, which is, frankly, to make the world a better place, which is the very thing I wax poetic about when I gave my graduation speech in 1992 as valedictorian of my class of 17 students at Idlewild Arts Academy, about a hundred miles from here. And yes, I can see your elementary school arithmetic wheels turning and that's right, I can't even honestly say I was in the top 5% of my class because it was so small. It seems so naive even then to give a graduation speech about making the world a better place. Yet, here we are.

Changing the world for the better is hard work. It's a fight against all odds. And it's a fight that we wage from a paid place of deep conviction and from, really, that most beautiful and wonderful emotion; hope. Hope can be hard to hold onto at times, and it can feel like so much is stacked against this fight, and yet, it is our collective hope that holds this whole profession together.

So back to walk on music. I just want to take a moment to acknowledge I loved your opening speech, Justin. It was super fun. So thank you for that, I feel like it set the tone for this. Anyway, I low-key obsessed. I started a Spotify playlist of possibilities, and another playlist I have to say was super fun, of rejected songs I really just couldn't pick. I listened to lyrics, I listened to tempo, I eliminated anything NSFW, and it was really important to me that it wasn't about me, but that it was about us, our work, our community, our purpose. That's what I really wanted to channel, and also to literally amplify the voices of people who have been marginalized and oppressed.

As many of you know, I crowdsourced for ideas. I enlisted all 856 of my closest friends on Facebook to help. I threw a contest for my team at UW Madison. I got tons of fun and wonderful and some really weird recommendations with themes like leadership, victory, girl power, and I love all that. But again, this wasn't about me, although I will give a special shout out to 9 to 5, by Dolly Parton, a fan favorite that speaks to how hard we work with limited resources and recognition, but really doesn't nearly capture our actual work hours, does it?

In the end, what really spoke to me was Ain't No Mountain High Enough. And I was super excited when our pre-conference diversity, equity, and inclusion speaker, Dr. Ronald W. Whitaker, II, talked about the importance of Marvin Gaye's album, What's Going On? It really felt like a cosmic sign that the song I had picked was sung by Marvin Gaye and Tammy Terrell. And now Tammy Terrell died in 1970 and that devastated Marvin Gaye. He released What's Going On shortly after that. Ain't No Mountain High Enough speaks to the community I feel with all of you and the ways in which we support and uplift one another so that we can, in turn, support and uplift our students.

I really am so tempted to just belt this out right now, but I'm not going to do it. Every time I get a mic, I really want to. But Ain't No Mountain High Enough, ain't no valley low enough, ain't no river wide enough to keep me from getting to you. It really rings so true to me, especially right now as we face so many challenges with the grit, determination, and love that we bring to our work every day. My love is alive way down in my heart. Although we are miles apart, if you ever need a helping hand, I'll be there on the double just as fast as I can.

Our love for this work is alive and we are spread across the country, over 29,000 members strong. We support one another from miles away and we rush to one another's aid in pursuit of making our world a better place, one student at a time. This past year, as I've prepared to step into this role, I've had the privilege and honored to get to know National Chair, Brad Barnett, and past National Chair, Brent Tener. And I'm so grateful for the example they have set for their commitment, and outstanding work, and for their kindness and mentoring.

In accepting the gavel from my friend, deeply esteemed colleague, Brad Barnett, I was deeply honored by the faith and the trust that this community has expressed in me. And I will strive to be worthy of the honor as we climb this mountain of FAFSA Simplification, the return to repayment, and the political and regulatory wins that never seem to stop blowing obstacles into our path. I will be your ally and advocate in this journey. Thank you. And if you need me, call me no matter where you are, no matter how far, I'll be there on the double.

One more little bit of thanks. I want to take a moment to thank NASFAA's leadership, and staff, and volunteers, in managing the monumental task of planning and executing this conference. I'd also like to thank all of our presenters for contributing to such an outstanding conference and to our attendees for participating so fully. Last but not least, I really want to give a huge shout out, I don't know if you're still here, to my wonderful team and leadership at the University of Wisconsin, Madison. If you're here, would you stand up? I don't know if anybody is still here. In any case, thank you. I am really so deeply indebted to all of you for your excellence and your hard work and steadfast support.

So next up, I am really excited to announce that the 2024 NASFAA Annual Conference will be taking place from June 16th to 19th in Milwaukee, Wisconsin, which is just about an hour from my home. And I'm curious who here has been to Milwaukee? Milwaukee is pretty cool. Am I right? It's pretty cool. I would never have gone, honestly, had I not moved to Wisconsin. I was actually in Milwaukee just last weekend with my family. I was completely stunned to see that we had a giant sandy beach. It was packed with volleyball courts and a tiki bar and people just having a great time. It looked a little bit like Hawai'i, and I know that sounds crazy, but honestly it was beautiful.

Milwaukee is filled with amazing breweries, live music, it's the home of Laverne and Shirley, if you're old enough to know what I'm talking about, an amazing public market full of amazing food stalls and all sorts of things. The Bronze Fawns, another reference that will date me, on the Riverwalk and so much more. So I'm super excited to be planning to share some snippets throughout this next year on social media from my own adventures in Milwaukee. And for now, I would like to share a video to capture some highlights for you.

Speaker 11:

When anyone asks about our city. You know, the brew city, the cream city, the city of festivals and fish fries and summertime fun, it's hard to express it in just a few words because it's way more than America's third coast, and America's oasis of old-fashions, and the heart of outdoor art. It's also a culinary convergence. We're cheese curd county, the frozen custard capital of the world, and the coffee Acropolis all come together.

It's where worst is first, unless it's chorizo; Polish, hotdog or Italian. Heck, it's even the birthplace of the cheese head. Our city, home of the domes and the Flying Art Museum on the water. It's the headquarters of Harley and the tavern that rolls and floats. Where fruits fly and bands rise. Tavern Town, that's us. The Supper Club Sanctuary. Guilty. The last bastion of bar dice.

Speaker 12:

Bingo.

Speaker 11:

The Midwest independent movie theater Mecca and settlement of sausage, that's us, too. We're a city sought out by adventure seekers, a cycling citadel, a freshwater surfing sanctuary, the kingdom of urban kayaking, where even kites are captivating.

It's the city built by brews, the beer garden BoomTown, the bloody Mary Metropolis of America, the province of Polka, the spy sanctuary of the, well, you get it. Simply put, it's a great place on a great lake. It's Milwaukee, and yes, it's totally random, and totally wonderful. So stop by and let us show you around.

Helen Faith:

All right, are you ready for the... That was so fun. I totally can't throw, you probably witnessed that. So, now the time has come for the winners of the contest to find out who they are. So if you could take a look under your seat, we have three, again, three free conference registrations, and you'll have an envelope taped under your seat if you're a winner. Now we have a lot of empty seats, so don't hurt yourselves or one another in the process of trying to win these grand prizes. Now if you find one, could you please make sure we know? Do we have one? Woo hoo. That's awesome. We have one winner.

Brad :

Do we have one?

Helen Faith:

We have one so far. I saw somebody wave their envelope. If you found an envelope, could you come up to a mic here? We have two. Come up to the mic, and could you tell us your name and your school?

Tabitha Hill:

Tabitha Turner, UNC, Chapel Hill.

Helen Faith:

Congratulations.

Bridget Bouges:

Bridget Bouges. Worcester Polytechnic Institute.

Helen Faith:

Congratulations. There's one more out there. Oh, oh.

Jamie Kosh:

Jamie Kosh, Penn State University.

Helen Faith:

Fantastic.

Jamie Kosh:

Thank you.

Helen Faith:

Congratulations. This has been a wonderful, wonderful conference. I have loved seeing all of you. Safe travels home, and I look forward to seeing you next year in Milwaukee.

Would all the award winners, could you come up please?

PART 4 OF 4 ENDS [01:48:40]