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Better FAFSA, Better CADAA Frequently Asked Questions (FAQs)

Note: This document was created with students and families in mind.

1. Overview

This document will provide answers to frequently asked questions about the upcoming changes to the 2024-25 Free Application for Federal Student Aid (FAFSA) and enhancements to the California Dream Act Application (CADAA).

2. What is Better FAFSA, Better CADAA?

In December 2020, Congress passed the FAFSA Simplification Act. This is the largest federal update to financial aid in 40 years. The new law requires substantial redesign to the process used to award federal student aid including the federal Pell Grant. The new law makes it easier for students and families to complete and submit the Free Application for Federal Student Aid (FAFSA) form and expands access to federal student aid. The California Dream Act Application (CADAA) will be enhanced starting with the 2024-25 academic year to reflect some of the federal changes. These changes, known as *Better FAFSA*, *Better CADAA* are being implemented now.

3. When will these changes go into effect?

These changes will go into effect for the 2024-25 academic year.

4. When will the FAFSA and CADAA applications open?

For the 2024-25 academic year, the FAFSA and the California Dream Act Application (CADAA) will open sometime in December 2023. Once the release date is official, we will notify schools and students. In subsequent years, the applications will open on October 1.

5. Which application should I complete - the FAFSA or the CADAA?

Students should only complete one application, either the FAFSA or CADAA. Students should complete a FAFSA if they are U.S. citizens, legal permanent residents (green card holders), or have Refugee status, have been granted Asylum, or are T-Visa holders. Students should complete CADAA if they are undocumented regardless of DACA status, if they have Temporary Protected Status (TPS), or are U-Visa holders.

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6. Will the deadline for financial aid applications change?

The priority deadline for California has been extended to April 2, 2024. Students should complete the FAFSA or CADAA by the priority deadline to be eligible for various state financial aid programs, including Cal Grant and Middle Class Scholarship. Some colleges may have an earlier deadline, and students are advised to check with the colleges where they are applying for additional financial aid deadlines. For community college students and foster youth, the priority deadline for California is September 3, 2024. These extensions are only for the 2024-25 academic year.

7. Why are these changes being made?

Congress passed legislation including the FAFSA Simplification Act which significantly revises the federal financial aid process, with the goal of easing the process of applying for aid.

8. What changes will be made to the FAFSA?

There are significant changes to the application and the application process. The FAFSA will have fewer questions and an improved user experience. Rather than importing tax information using the IRS Data Retrieval Tool, contributors will consent to providing their Federal Tax Information (FTI) via a direct data exchange (DDX) with the IRS. This will simplify the reporting of financial information and reduce the number of errors. There are changes to the formula to determine financial need. These changes will help expand federal Pell Grant eligibility for more than 500,000 students. The new formula links eligibility to family size and the federal poverty level and will be used to calculate a Student Aid Index (SAI) for each student who applies.

9. What changes will be made to the CADAA?

The California Dream Act Application (CADAA) will be enhanced to reflect some of the changes to the FAFSA, including a more comprehensive application. Some changes made to CADAA include updates to the signature process that make it easier, and the inclusion of the AB 540 affidavit in the application. The CADAA will open at the same time as the FAFSA in December 2023. The priority deadline for CADAA is the same as the FAFSA, April 2, 2024.

10. What tax year should I report on the 2024-25 financial aid application?

Report 2022 tax information on the 2024-25 FAFSA or CADAA application.

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11. What is the Student Aid Index (SAI)?

Beginning with the 2024-25 application, Expected Family Contribution (EFC) will be replaced with the Student Aid Index (SAI). SAI is a calculation of student financial need and is used by college financial aid offices to determine award packages. The SAI formula is different than the formula used to determine EFC. Unlike EFC, SAI can be a negative number. The minimum possible SAI is -1,500. All schools awarding federal student aid will need to utilize SAI beginning with the 2024-25 academic year. These changes will help expand federal Pell Grant eligibility for more than 500,000 students. The new formula links eligibility to family size and the federal poverty level and will be used to calculate a Student Aid Index (SAI) for each student who applies.

12. Who is considered a contributor on my financial aid application?

Anyone who provides information on a FAFSA application is considered a “contributor.” The word contributor is used to mean someone who contributes information to the application to inform eligibility for financial aid, and *does not necessarily mean* contributing financially to a student’s education. Federal Student Aid (FSA) requires dependent students and a parent to provide personal and financial information on the FAFSA. Contributors must sign the FAFSA using their StudentAid.gov account (formerly FSA ID).

13. How does a contributor access the FAFSA?

The new FAFSA is a role-based application, with each contributor having a separate section to complete. Either a parent or a student can start the FAFSA and invite the other person to contribute to the application. The inviting contributor provides the name, date of birth, email address, and social security number of the additional contributor when requested. The email address does not need to be the same email address the additional contributor used or will use to create their StudentAid.gov account (formerly FSA ID). For parents who do not have a social security number, please select the box for “My parent does not have a social security number.”

14. What is a StudentAid.gov account? (formerly FSA ID)?

The Federal Student Aid ID (StudentAid.gov account (formerly FSA ID)) is a free account at StudentAid.gov that is used by contributors to access and electronically sign their portion of the FAFSA. All student and parent contributors will need to create a StudentAid.gov account (formerly FSA ID). The StudentAid.gov account (formerly FSA ID) uses a social security number

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to verify identity. There is also a process for parents without a social security number to obtain a StudentAid.gov account (formerly FSA ID) that will be available once the FAFSA opens in December 2023. Those who already have a StudentAid.gov account (formerly FSA ID) will not need to create a new one.

15. How does my parent get a StudentAid.gov account (formerly FSA ID) if they do not have a social security number (SSN)?

All parents must create a StudentAid.gov account (formerly FSA ID). Parents without a social security number (SSN) will be required to verify their identity electronically using information from TransUnion. These questions are ones that only that individual would know the answer to. Examples of these questions may include current or former address, a previous phone number, an employer, or details about a home/auto loan. The StudentAid.gov account (formerly FSA ID) will replace the paper signature form.

16. Where do I download the signature page for my parent to sign?

There is no signature page for the FAFSA. Parents must sign the application electronically using a StudentAid.gov account (formerly FSA ID).

17. Can I complete my FAFSA by mail instead of online?

Students can complete a paper FAFSA and mail it in, but this option is not preferred. It takes significantly longer to complete, longer to process, and makes corrections difficult. The paper form will still require that all applicants provide consent for FSA to access their federal tax information from the Internal Revenue Service (IRS) and to verify their identity. Students should try to complete their FAFSA electronically and only submit the paper form as a last resort. Students choosing to complete a paper FAFSA must postmark their application by the priority deadline to be considered for all possible state and federal aid. For the 2024-25 application, the California priority deadline is April 2, 2024.

18. How will FAFSA collect my family's financial information?

Students applying for financial aid using FAFSA are now required to consent to disclosure of their federal tax information (FTI) directly from the IRS using Direct Data Exchange. The information will be automatically retrieved during the application process. All contributors must consent to this data disclosure for the student to be considered eligible for federal financial aid.

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19. How will my family's financial information be protected?

There are strict limitations on the access and use of Federal Tax Information (FTI) under the Internal Revenue Code. FTI will not be disclosed to the other contributors on the FAFSA. FTI will only be available to institutions, state higher education agencies, and designated scholarship organizations, via the Institutional Student Information Record (ISIR). FTI will not be included on the FAFSA Submission Summary. Applicants may view all information provided on their FAFSA by obtaining an unredacted copy of their ISIR from the colleges to which they have applied.

20. Can I choose only one parent's income and assets to report on the financial aid application?

No. If your parents are married or live together in the same house, then both parents income and asset information must be reported on the FAFSA or CADAA. If they are married and file taxes together, only one parent needs a StudentAid.gov account (formerly FSA ID) to report on behalf of both parents. If your parents are divorced or were never married, then the parent who provide the most financial support for the student in the last 12 months will need to contribute to the FAFSA or CADAA. If that parent is remarried, the step-parent needs to provide financial information on the FAFSA or CADAA as well. If parents/step-parents file taxes jointly, only one parent will need to contribute to the FAFSA or CADAA on behalf of both parents. If parents/step-parents file taxes separately for any reason, both parents/step-parents need to contribute to the FAFSA or CADAA.

21. What if I and/or my parents complete their taxes by mail?

CADAA requires manual entry of tax information, so it doesn't matter if taxes are completed via paper form or electronically. The FAFSA requires Direct Data Exchange with the IRS. When taxes are filed by paper form, they are processed by the IRS and input into their electronic system. This can take up to 11 weeks from the date of filing. Taxes for the 2022 fiscal year were due on April 18, 2023, unless the filer requested an extension. For FAFSA filers, once tax information is input into the electronic system, students and parents should be able to complete the electronic FAFSA including the IRS Direct Data Exchange. If IRS Direct Data Exchange information is not available for a student or parent, tax information can be input manually. Manual tax information submissions are more likely to require additional verification before an aid package can be awarded.

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22. What if I or my parents didn't file taxes?

All FAFSA contributors will be required to consent to data exchange with the IRS to be considered for financial aid regardless of if they filed taxes or not. Students and parents who decline to consent to data exchange on FAFSA will not be considered for financial aid. For students or families who did not file taxes in the appropriate year, the IRS Direct Data Exchange will confirm that taxes were not filed. FAFSA contributors who did not file taxes in the reporting year may also be required to input income information for the reporting year manually. For CADAA filers, if parents indicate they have not filed taxes and do not plan to, they will still have to report any earnings they made in 2022. If the parent made more than what the IRS considers the threshold for filing taxes, the application will be flagged, and parents will need to file taxes for the reporting year before the application can be processed. For both 2024-25 CADAA and FAFSA, tax year 2022 is the reporting year.

23. How do I report income I or my parents earned outside of the United States?

Applicants and contributors who earn income in other countries may not have tax information available to retrieve from the IRS. These contributors must input their income and tax data manually, although they will still be required to provide consent to use their federal tax information (FTI), which includes filing status. Convert foreign currency to dollars using the currency exchange rate in effect on the date the FAFSA is filed. Enter the resulting amounts in the comparable fields from U.S. tax returns, such as adjusted gross income, income tax paid, and any untaxed income such as self-employment deductions, tax-exempt interest income, untaxed portions of distributions from retirement accounts and pensions, and foreign earned income exclusions.

24. Which parent should report financial information if a student's parents are divorced?

If a student's parents are divorced, then the parent that provides more financial support for the student in the last 12 months should report their financial information on the financial aid application. If divorced parents have equal financial responsibility for their student, then the parent with the higher income and assets will report their financial information. If the parent who is reporting information has re-married, the step-parent's information must also be reported on the financial aid application.

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25. What should I do if the Direct Data Exchange did not work?

If the IRS Direct Data Exchange did not work, it could be because students or parents created their StudentAid.gov account (formerly FSA ID) on the same day that they complete the FAFSA. Students and parents can either enter their information manually, or wait several days for their StudentAid.gov account (formerly FSA ID) to be authorized and then attempt to complete the IRS Direct Data Exchange again.

26. What changes were made to dependency status?

No changes were made to dependency status. Students are still considered dependent until they are 24 years old, or if they are married, have a child who they provide more than 50% support for, if they are in the military, if they are a foster youth or orphan, if they have been a ward of the court or are appointed a legal guardian, if they are considered homeless, or if they are legally emancipated. Graduate students are also considered independent for financial aid. The FAFSA updates do make it easier for students to establish independent status. Students with unusual circumstances will now be allowed to self-attest and can complete their application with a provisional independent status. These students will still need to contact the college financial aid office to complete verification for dependency override.

27. If my parents aren't able or willing to support my education, can I apply as an independent student?

In most circumstances, no. Students cannot choose to be an independent student based on their parents not being able or willing to contribute to the student's education. Students are considered dependent for financial aid until they are 24 years old, or if they are married, have a child who they provide more than 50% support for, if they are in the military, if they are a foster youth or orphan, if they have been a ward of the court or are appointed a legal guardian, if they are considered homeless, or if they are legally emancipated. Graduate students are also considered independent for financial aid. In rare cases, there is no contact between a student and both of their parents. These are situations such as refugees, asylees, victims of human trafficking, or abusive parents. If one of these situations applies to a student, they should select the box for unusual circumstances on the FAFSA or CADAA and provide documentation to the college. The college is empowered to provide a dependency override on a case-by-case basis.

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28. If I support myself and file taxes independently from my parents, can I apply as an independent student?

No. Tax dependency and financial aid dependency are two different things. Students are considered dependent for the purposes of financial aid even if they live independently and their parents don't claim them on the parents' tax returns. Students become independent after they turn 24 years old, or if they are married, have a child who they provide more than 50% support for, if they are in the military, if they are a foster youth or orphan, if they have been a ward of the court or are appointed a legal guardian, if they are considered homeless, or if they are legally emancipated. Graduate students are also considered independent for financial aid.

29. What does “provisional independent” status mean?

Students who are homeless, unaccompanied, foster youth, experiencing parental abandonment, asylees or refugees, survivors of human trafficking, and/or orphans will now be able to self-certify their independent status. These students can now complete a financial aid application before speaking to the financial aid office. These students will need to have their independent status verified by the financial aid office before they can be awarded. Their dependency override status should carry over from one academic year to the next, even if the student transfers to a different institution.

30. How many colleges will I be able to list on the FAFSA or CADAA?

Starting in the 2024-25 application year, students will be able to list up to 20 colleges on their FAFSA or CADAA. Previously students could only list up to 10 colleges on their FAFSA or CADAA.

31. Why wasn't I asked about my housing options?

The housing choice question has been removed from the 2024-25 FAFSA and CADAA. Students may be asked by the college or financial aid office at their college about their housing plans. Housing is considered part of the cost of attendance calculation.

32. What is my family size?

Family size is replacing household size on the 2024-25 FAFSA and CADAA. For CADAA, applicants will self-report family size. For FAFSA, family size will be determined by information reported on IRS tax documents. Contributors will report their family size based on the number of dependents reported on the tax return for the reporting year. For 2024-25 applications, the reporting year

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is 2022. If family size has changed since the 2022 reporting year, for example due to the birth of a child, families should report the correct number of dependents when asked, even if that number differs from the information on the 2022 tax return.

33. Will families with multiple students in college continue to receive consideration when calculating financial need?

Congress removed the consideration for multiple students from the same family who are enrolled in college at the same time. Although the number of students in college is still a question on the FAFSA and CADAA, the answer will no longer have any impact on the aid received. This may affect aid for families with multiple children in college in the 2024-25 academic year. The FAFSA and CADAA evaluate many components to determine a family's ability to pay for college and while the benefit of multiple children in college has been removed in the 2024-25 year, a student's financial need may remain unaffected.

34. If our family experiences a decrease in financial aid because of changes to the sibling loophole, what can we do?

If you complete a FAFSA or CADAA application and experience a decrease in financial aid from the prior year, please contact your campus financial aid office for further guidance. You can submit a special circumstances appeal to the financial aid office due to the decrease in financial aid caused by changes to how siblings are considered in the federal aid calculation. Financial offices will review your appeal and can exercise professional judgment on a case-by-case basis and may make changes to your financial aid award package.

35. What changes were made to reporting income and assets?

Some types of untaxed income have been eliminated from the need analysis, including housing, food, and living allowances paid to members of the military and clergy; veterans noneducation benefits; and the general categories of "other untaxed income" and "money received by or paid on behalf of the student." Cooperative education employment earnings, child support paid, combat pay, and the state and other tax allowance are no longer treated as allowances against income in the Student Aid Index (SAI) formula and will no longer be reported on the FAFSA or CADAA. Child support received is now counted as an asset in the SAI formula. Applicants will be asked to report the net worth of all businesses, regardless of the size of the business. Net worth now includes the value of a family farm. However, the value of a family's primary residence is still excluded. For dependent students,

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529 plans/prepaid tuition plans owned by the student or parent will be reported if the student is the beneficiary.

36. Why are there questions about race, ethnicity, and gender on the FAFSA and CADAA?

There are new optional demographics questions on the FAFSA and CADAA. Students do not have to answer these questions to be eligible for aid. Answers to these questions do not impact how much aid a student receives. This information is being gathered for research purposes and will not be shared with other contributors, nor with the colleges listed on the FAFSA or CADAA.

37. What is the FAFSA Submission Summary?

The Student Aid Report (SAR) has been replaced with the FAFSA Submission Summary. This document will be sent to the email address you use to create your account on StudentAid.gov. The FAFSA Submission Summary will contain important information about your financial aid application, including your Student Aid Index (SAI). The SAI is replacing the Expected Family Contribution (EFC) and can be a negative number.

38. Will FAFSA and CADAA still require a verification process?

Yes, the verification process will be very similar to previous academic years. A percentage of students who receive financial aid will be selected to verify their reported information. Verification is conducted by the college financial aid office. Some colleges choose to verify all students receiving financial aid and others only verify the students selected by Federal Student Aid (FSA) or the California Student Aid Commission. If selected for verification, students should contact their financial aid office immediately to provide the necessary documentation that supports information reported on their FAFSA or CADAA.

39. Will these changes affect the summer 2024 semester or quarter?

For Cal Grant and Middle Class Scholarship, Summer 2024 is considered part of the 2023-24 academic year. Any aid received for summer 2024 would be awarded based on information reported on the 2023-24 FAFSA or CADAA. Federal aid for Summer 2024 could be impacted. Students are advised to consult the college financial aid office about financial aid for Summer 2024.

40. What if I made a mistake on FAFSA or CADAA?

For CADAA, students can correct mistakes by going to dream.csac.ca.gov and logging into their CADAA account. From here students will be able to make

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corrections to their submitted CADAA. For FAFSA, all contributors can correct mistakes by logging into StudentAid.gov and using the Make Corrections button. Corrections can include adding or removing a school, updating an email address or mailing address, and making corrections to any field except social security number.

41. Where can I get help completing the FAFSA or CADAA?

The Commission and our partners offer free Cash for College webinars designed to answer common questions about applying for financial aid. During these webinars, financial aid experts are available live to answer questions for students and families. The [Cash for College webinar schedule](#) will be available on the Commission's website in Fall 2023. Workshops hosted by our community partners can be found on the [Cash for College Workshop page](#). Students should never have to pay for financial aid assistance.

42. Where can I get more information if my question is not answered here?

If you have additional questions after reviewing this FAQ, please contact the CSAC Student Support Center at studentsupport@csac.ca.gov or by calling 888-224-7268. Telephone assistance is available in 70+ languages.