



**College Aid Pro™**

**BIG FAFSA** Changes and the Supreme Court Ruling

Get Ready!



**College Aid Pro™**

# OUR MISSION

TO END THE STUDENT DEBT CRISIS BY  
EMPOWERING FAMILIES TO SHOP SMARTER FOR COLLEGE

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## Your Presenters

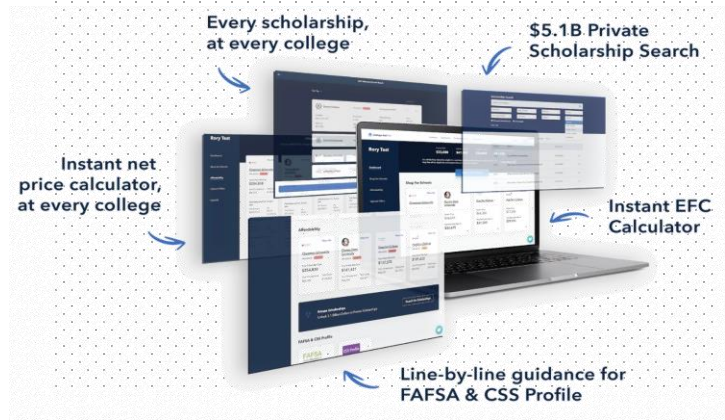
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# WHERE DO WE START?



Website:

[mycap.collegeaidpro.com](http://mycap.collegeaidpro.com)



## What is Financial Aid?



Financial Aid is a DISCOUNT on the Cost of Attendance

### Types Of Financial Aid

#### Need-Based Grants

- Free money awarded based on student's financial profile

#### Merit-Based Scholarships

- Free money awarded based on student's talent profile

#### Self Help

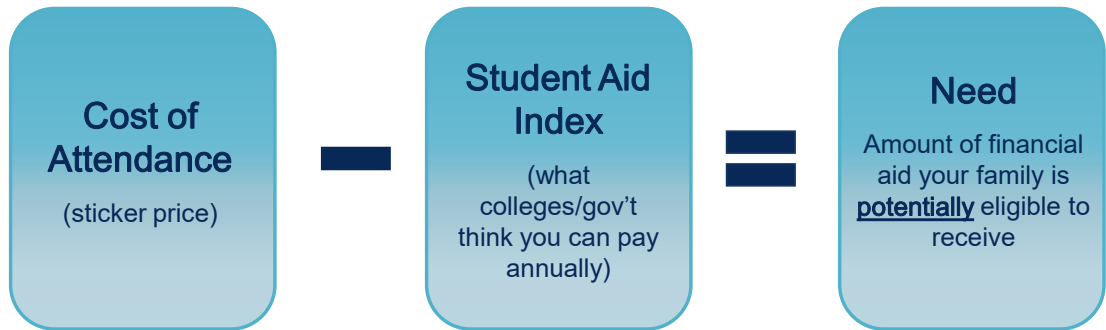
- Loans and work study
- **NOT** free money

## Need-Based Financial Aid



Will we be eligible?

$$\text{COA} - \text{SAI} = \text{Need}$$



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## What Should We Know About Our SAI?

- What is considered an asset?  
Everything But Your Retirement Accounts (401k, IRA, Roth IRA, 403b)
- Is debt considered?  
No, but...
- Parent Assets vs. Student Assets  
Parent assets factored into SAI at lower % (529s)
- How should we value our home?  
IRS quick sale value -20%

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## What Income Do Colleges Consider?



Tax Year Used For Base Income Year

### “Prior Prior” Tax Year

### Income

Class of 2024 = 2022 tax returns

#### Parents

Line 11 on 1040 AGI

Class of 2025 = 2023 tax returns

#### Students

Income Allowance of \$7,600

Class of 2026 = 2024 tax returns



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## Merit-Based Aid

- Office of Admissions (not Office of Financial Aid)
- Enticement for student to attend
- Usually all 4 years
- Usually based on grades/test scores
- Different awarding methodologies
- Private colleges

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## Timing of FAFSA Changes



### 2024 - 2025 School Year

**High School Class of  
2024**

**December 2023 is  
new FAFSA release  
date**

**Based on 2022 Tax  
Returns**

**Current College Students NOT  
grandfathered in under "old" FAFSA  
rules (private colleges have discretion)**

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## The Good



1. Pell Grants increased and more families will qualify
2. FAFSA filing will be easier
3. Negative SAI = more aid for low-income families
4. Most untaxed income will no longer be considered
5. Child support will count as an asset, NOT untaxed income
6. More transparency
7. Money paid on student's behalf

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# Big Terminology Change



## “Bye Bye!” EFC - Hello SAI

**Expected Family Contribution (EFC) = Student Aid Index (SAI)**

**Why Do We Care?  
Hint: We Don't  
BUT.....**

**SAI can be a negative number  
(-\$1,500)**

**Allowances for students living at home or with family**

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## The Name: “FAFSA Simplification Act”

They did simplify / shorten the form



### Questions

**108** → **36**

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## Untaxed Income



Sources of income that are not taxed by the Federal government but are added into the income calculation for the purposes of calculating financial aid.

### Will Include:

Deductions & payments to retirement plans **that ARE delineated on the federal tax return**

Tax-exempt interest income

Untaxed portion of pension and IRA distributions

Foreign income that is exempt from US federal income tax or receives a foreign tax credit

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## Untaxed Income & Benefits Will NO Longer Include:



- 401k/403b pre-tax contributions - **not delineated on the tax return**
- Veteran's education benefits
- Workman's compensation
- Allowances for clergy and military (housing, etc.)
- "Cash support and/or money paid on the student's behalf"
- Child support

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## “Cash Support and/or money paid on the student’s behalf”



What does this description include?

- Non-custodial parent assistance
- Grandparent help
  - 529 with grandparent as the owner, or
  - Just helping while the child is in college
- Any outside assistance from someone not included on the FAFSA

No longer considered part of student income!

- NOT assessed at 50%

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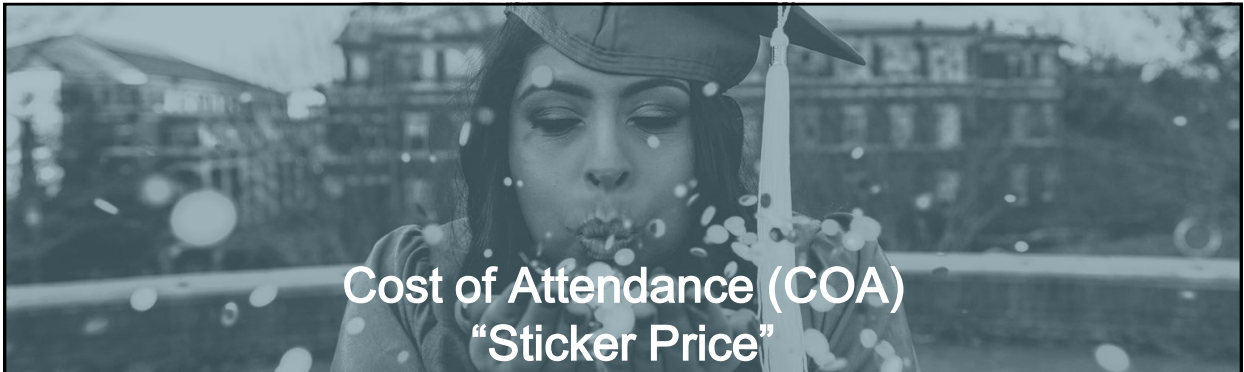
## Child Support



- Current Formula:
  - Considered **income** to the recipient and assessed up to 47%
- New Formula:
  - Considered an **asset** of the recipient and assessed up to 5.64%
- Example: Annual Child Support = \$60,000
  - Current Calculation: could increase EFC up to \$28,200
  - New Calculation: could increase EFC up to \$3,384

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## Cost of Attendance (COA) "Sticker Price"



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Colleges are required to disclose all the elements of the Cost of Attendance on their websites

**More Transparency!**

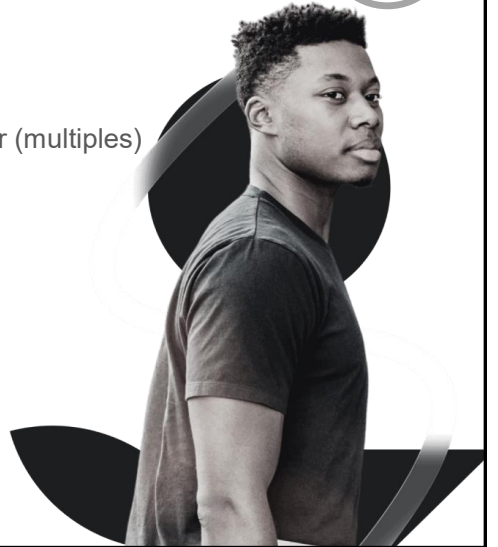
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# Which families will be most impacted?



- 1 Two-household families - divorced/separated
- 2 Families who will have kids starting college together (multiples)
- 3 Families who already had one child in college starting in the 2023-2024 school year or earlier
- 4 Parents who are business owners
- 5 Low-income families



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## Help American families afford college by opposing FAFSA change



59,693 have signed. Let's get to 75,000!

At 75,000 signatures, this petition becomes one of the top signed on Change.org!

- Chik Quintana signed 23 hours ago
- Heak Smith signed 23 hours ago



matthew.carpenter started this petition to US Department of Education and 6 others

The biggest financial concern for millions of American families is paying for college. One of the new FAFSA rules will exacerbate this problem for any families that will have multiple children in college at the same time. Currently, families receive a discount if they have multiple children in college at once. The new FAFSA rules will eliminate this discount and will effectively DOUBLE the amount families with multiple children will be expected to pay for college. Most families already struggle with affording college; this new rule will be a crushing blow for the MILLIONS of families that will be negatively impacted each year.

- Send an email to friends
- Tweet to your followers
- Copy link

# Petition to Overturn Change

Please Sign & Share ([link](#))

## What Goes into a Decision? The Student Side

### Student Variables

1. Academic Rigor compared to Academic Offerings
2. Grades
3. Personal Essay/Supplemental Essay
4. SAT/ACT Scores (If Applicable)
5. Personal Background/Characteristics
  - Legacy, First Generation, Athletics/Talent, Gender, etc.
6. Demonstrated Interest
  - Campus Visits
  - High School Visits
  - Interviews
  - Correspondence



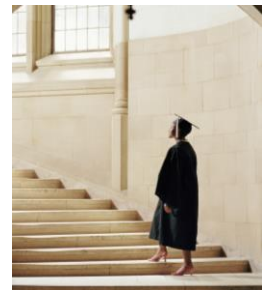
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## What Goes into a Decision? The College Side

### College/University Variables

1. Overall Admissions Strategies
  - Deadlines
2. Academic Trends
  - New Programs/Buildings
3. Financial Priorities/Stability
  - Current Financial landscape Post-COVID
4. Merit & Financial Aid Strategy
  - Does the school meet full need? Are they need blind?
5. Student Population Priorities
  - Male/Female Ratio, State vs Private School, etc.
6. Athletic Recruitment Strategies/Roster Spots
  - “Best Player” does not always mean “Best Fit”



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## 2022-2023 Global Admissions Trends

1. Legacy Preferences are decreasing
  - 56% of the top 250 institutions considered legacy in 2020
    - Varsity Blues scandal caused a closer look at this
    - Cornell, Amherst and many state schools among those dialing back legacy influence
2. Chat GPT
  - Don't use it!
    - Lacks the ability to show empathy, growth and introspection
  - Video introduction
3. Application Volumes continue to rise
  - 30% increase in applications through the Common Application from 2020 to 2023
    - NYU - 120,000 Applications (13% increase)
    - University of Georgia - 47,300 (10% increase)
    - Northeastern University - 96,327 (5.6% increase)

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## 2022-2023 Global Admissions Trends

4. Top school admission rates
  - Ivy League Admissions have dropped 1.5% since 2019
  - Top 30 Schools are seeing an average 3.25% drop in acceptance rates since 2019
5. Test Optional
  - 1,700 plus colleges Test Optional, predicted over 100 will be test free by next year.
  - Notable schools that are switching back to requiring scores: MIT, Purdue, Georgetown, Florida state school system
6. Early Decision/Early Action provides better opportunities for acceptance through test optional than regular decision
7. Waitlist and Deferral lists are growing larger, but not necessarily easier to move off
8. Waterfall effect of top tiered acceptances

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## Early Decision & Early Action Trends

- Early Deadlines are more popular than ever
  - Brown University - 10% Increase (5th year in a row of increased Early apps)
  - Dartmouth College - 14% Increase
  - Yale University - 35% increase in the last three years
- Large swings in acceptance rates, partially due to Test Optional trends
  - Boston University
    - 55% of BU's first-year class was admitted ED. Of this cohort, 31% of these students submitted standardized test scores.
    - 54% of the students admitted to the BU Class of 2027 submitted standardized test scores.
  - University of Virginia
    - In 2022, 42% opted not to submit test scores, only 26% of accepted students were test optional.

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## Changes in Admission Rates

School	Early Round Acc (22-23)	Early Round Acc (21-22)	Early Round Acc (20-21)
Boston College (10-14%)	30%	28%	39%
Duke (10-12%)	17%	21%	17%
Emory Univ. (13-18%)	37%	37%	26%
Johns Hopkins (12-15%)	20%	21%	15%
Notre Dame (12-15%)	15%	17%	22%
Vanderbilt Univ. (10-13%)	24%	18%	18%
Wash U St. Louis (15-20%)	35%	27%	29%
Williams College (5-7%)	27%	31%	33%

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## NEXT STEPS

Keep the ball rolling!

Talk with CAP about how we can support you.

Click [HERE](#)

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**Check Us Out and Take Advantage of Our Free Resources:**

Subscribe to our YouTube Channel

[https://www.youtube.com/channel/UCvi\\_51BRybgjJuFpmutLh3g](https://www.youtube.com/channel/UCvi_51BRybgjJuFpmutLh3g)

Join Our Facebook Group:

<https://www.facebook.com/groups/collegeaidprospayingforcollegeandscholarships/>

Join Our Office Hours:

<https://collegeaidpro.com/officehours/>

Contact Us:

[support@collegeaidpro.com](mailto:support@collegeaidpro.com)

<https://collegeaidpro.com>

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