

Financial Aid Basics

An Overview of Financial Aid and the Cost of College

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Agenda

- Foundation of Financial Aid
- Viewpoint: Senior Year Timeline
 - Costs
 - Application Process
 - Types of Aid
 - Comparing Award Letters
- Final Tips and Things to Consider
- Upcoming Timeline Changes
- Frequently Asked Questions

What is Financial Aid?

Any monies given to a student for the purpose of meeting educational expenses. Includes scholarships, grants, loans, and work-study.

Basic Premise of Financial Aid

To the extent they are able, parents have the primary responsibility to contribute to their dependent child's education. Students also have a responsibility to contribute as they are the primary beneficiaries of the education.

Financial Aid is designed to supplement the family's resources, not supplant them. It is there to bridge the gap between the cost of a college education and what the family can afford.

Financial Aid Timeline

Prior to Senior Year

- Challenge yourself academically
- Focus on your studies (good grades!)
- Be involved & volunteer
- Keep track of what you do, along with honors/awards
- Research and narrow down careers, majors, schools, & scholarships
- Save & plan for college expenses
- Study for and take appropriate Standardized Test(s) (SAT, ACT, etc.)

June - Aug

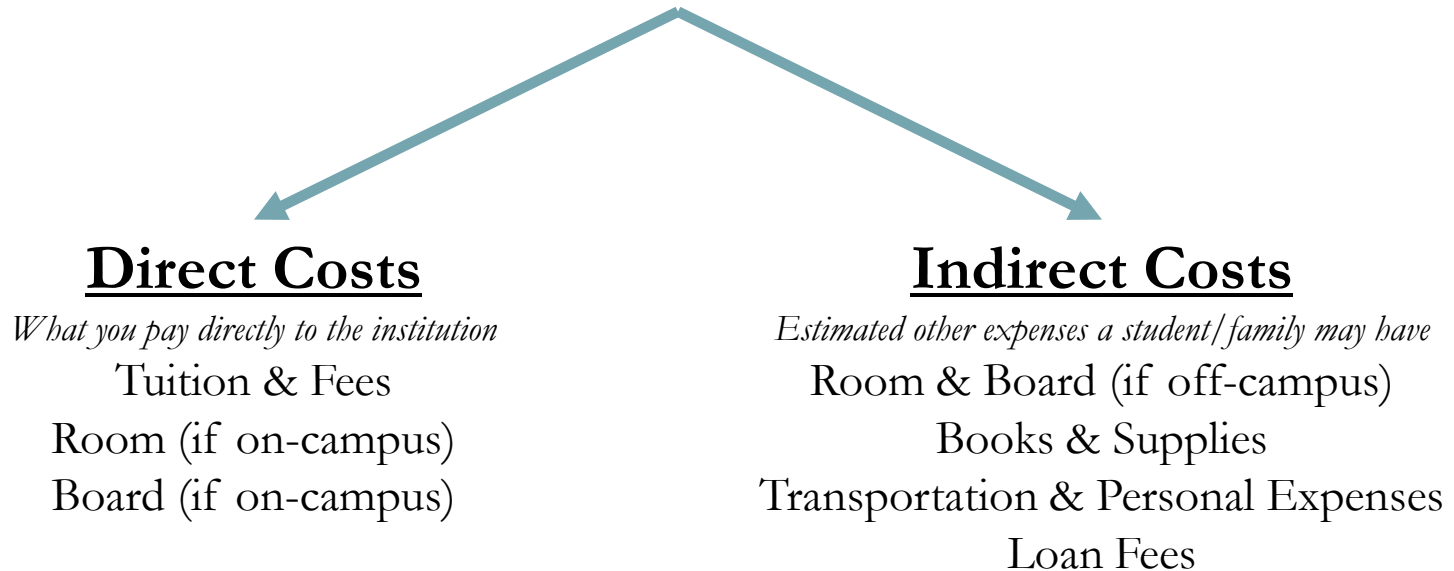
- Continue to research and apply for scholarships
- **Estimate costs**
- Plan for deadlines and required forms

Summer
before
Senior Year



Estimate Costs

Cost of Attendance (COA): estimated full and reasonable cost of a full year as a full-time student. Varies from college to college.



Estimate Costs cont.

Example On-Campus (Resident) COAs

2015-16	Sonoma State	UC Berkeley	Dominican	Stanford
Direct Costs	\$20,138	\$27,820	\$55,930	\$60,427
Tuition & Fees	\$7,324	\$13,432	\$42,550	\$46,320
Room & Board	\$12,814	\$14,388	\$13,380	\$14,107
Indirect Costs	\$4,536	\$4,826	\$5,044	\$4,050
Books & Supplies	\$1,764	\$1,240	\$1,764	\$1,425
Transportation	\$1,380	\$534	\$886	Varies
Personal Expenses	\$1,392	\$2,018	\$2,322	\$2,625
Other		\$1,034		
Total est.* COA (D+I)	\$24,674	\$32,646	\$60,902	\$64,477

*COA is always an estimate because the Indirect Costs will vary family to family.

All COA information was obtained from each University's website

Estimate Costs cont.

A majority of families will NOT pay the published COA. Understand the difference between the Published COA, Direct Costs, and your Net Price.

	Published COA	Direct Costs
	\$60,902 (est)	\$55,930
Gift Aid	\$28,084	\$28,084
Net Price	\$32,818 (est)	\$27,846

Self-Help Aid (loans, work-study), outside scholarships, monthly payment plans, family resources, etc., can all be used to assist in spreading out and meeting the Net Price.

Resources for Net Price information

- Net Price Calculator (available on College/University websites)
- The White House College Scorecard
- BigFuture.org

Financial Aid Timeline

**Applies ONLY to those who
are Seniors in 2015-2016!!!**

Dec - Jan

- Continue to submit Admission and scholarship applications
- Gather year end financial documents
- Get to know the **FAFSA** (available **Jan 1**)

Summer
before
Senior Year

Sept - Nov

- Continue to research and apply for scholarships
- Submit Admission applications
- If required: Submit the **CSS/PROFILE** (available **Oct 1**)

Jan - Mar

- Submit **FAFSA** on/before **Mar 2**
- Update **FAFSA** and/or **PROFILE** as needed (new schools, filed taxes)
- Submit any other required Institutional financial aid applications or documents
- Confirm GPA submitted for Cal Grant on/before **Mar 2**

Apply for Financial Aid

FSA ID

A username and password created by an individual for use with all Federal systems related to Financial Aid.

Student will need his/her own and Parent will need his/her own.

Can apply for this now.

Federal Student Aid
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PROUD SPONSOR of
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FAFSA®
Free Application for Federal Student Aid



SEARCH

English | Español

FAFSA

- **FREE** Application for Federal Student Aid
- Usually available **January 1**
- Collects demographic and financial information to calculate the Expected Family Contribution (EFC)
- Must file to be eligible for Federal financial aid
- Uses prior year tax data
- Some college/programs set priority deadlines **MARCH 2**

Cal Grant & Dominican

FAFSA on the Web (www.fafsa.gov)

- Large majority of students complete the FAFSA online because there is skip logic so you don't answer unnecessary questions and errors are indicated immediately. Also, you get a faster response.
- Worksheet available to help prepare information in advance
- Can use estimated information if taxes haven't been filed yet.
- Section 1: Student Demographic Info
- Section 2: Student Dependency Status
- Section 3: Parent Demographic & Financial* Info
- Section 4: Student Financial* Info
- Additional Information: Colleges, Housing Plans, Sign & Submit

*Data Retrieval Tool can be used to transfer tax information directly from the IRS into the FAFSA. This saves time and reduces errors.

NOTE: Dates on this page apply to those who will be applying for financial aid for the 2016-2017 academic year

Apply for Financial Aid cont.

Institutional Aid Application

- Varies by college/program
- Usually comes as part of the admission packet

CSS / Financial Aid PROFILE®

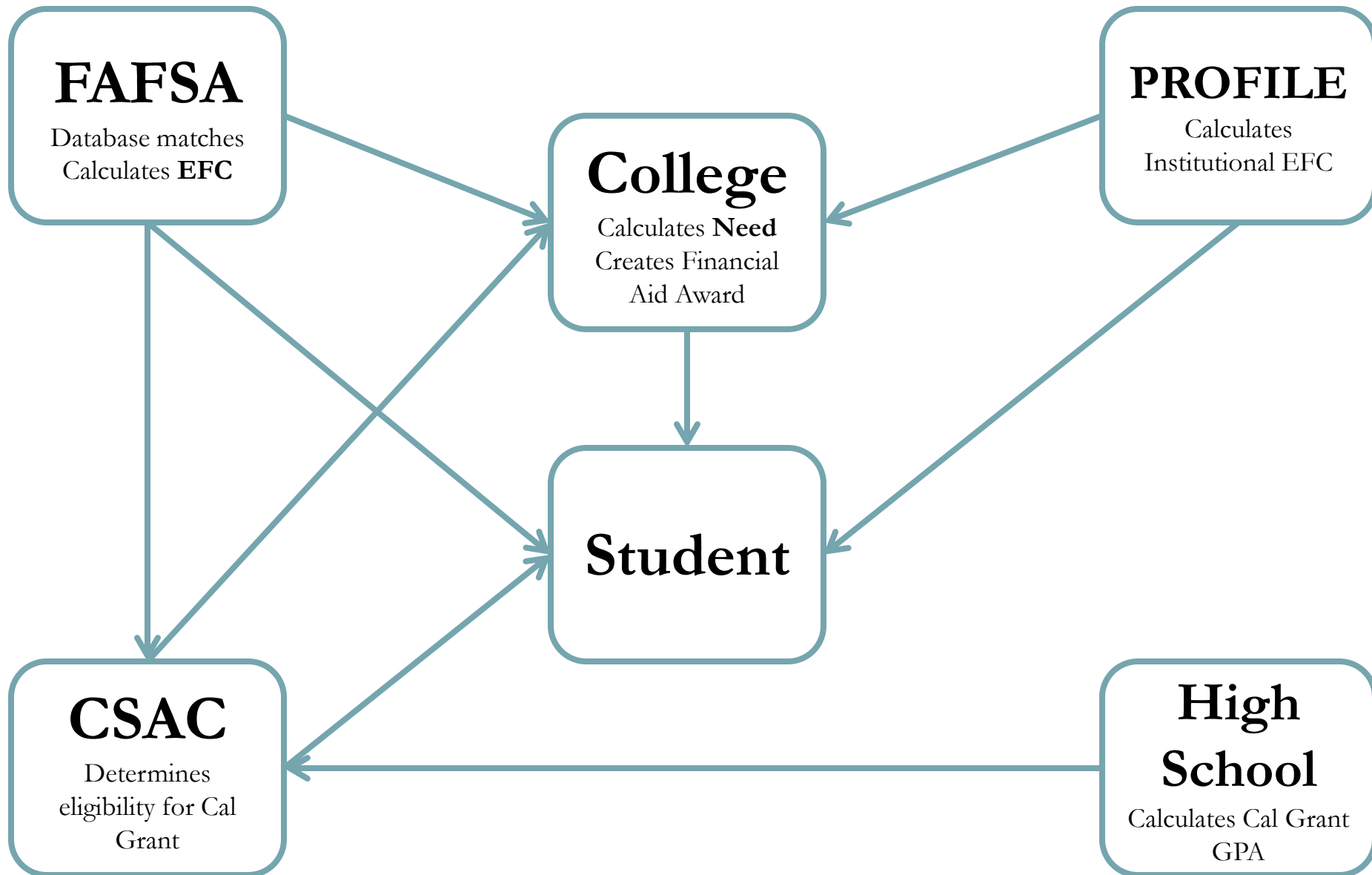


Welcome to PROFILE. By filling out one form, you can apply online for nonfederal financial aid from almost 400 colleges and scholarship programs.

CSS/PROFILE

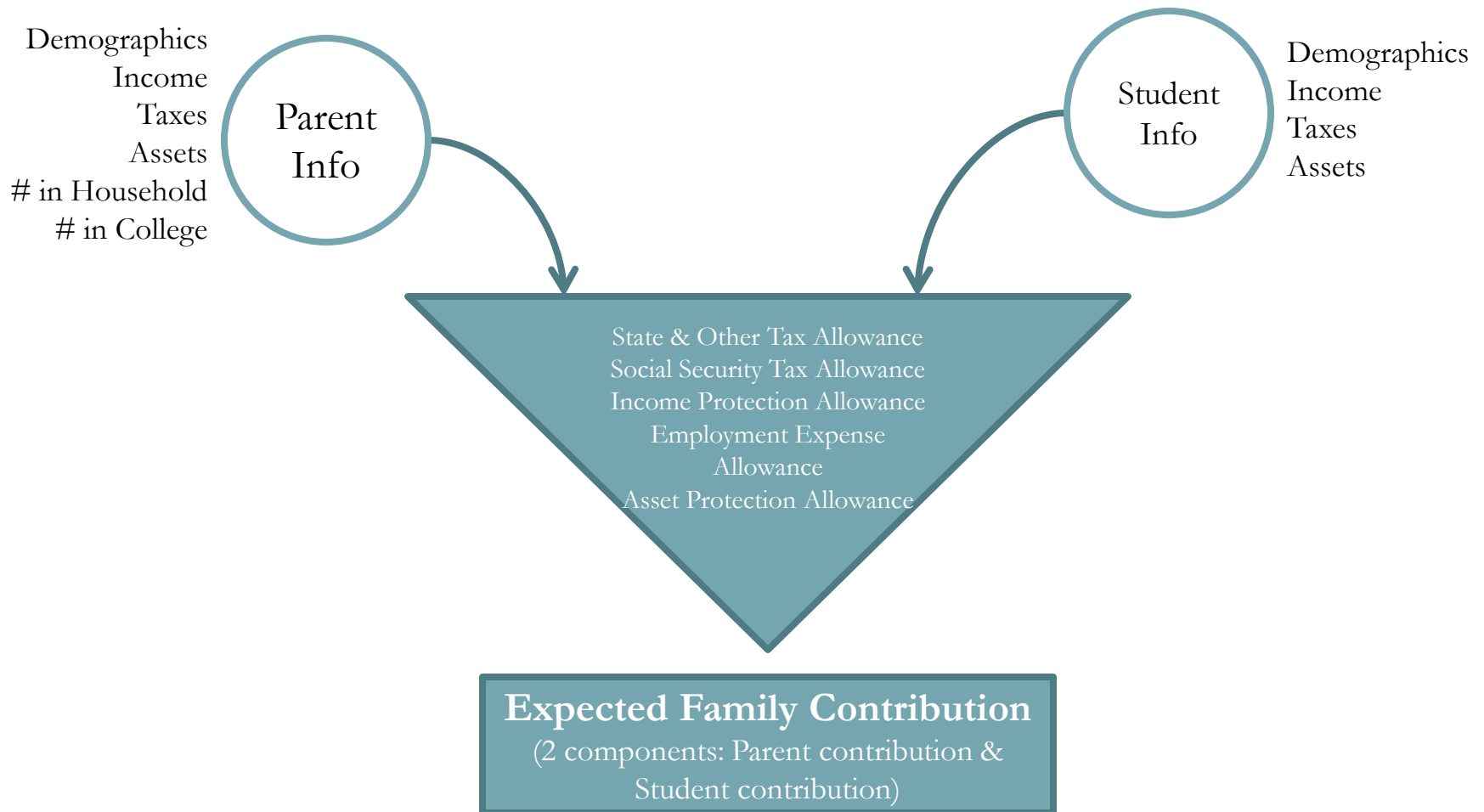
- Fee-based
- Usually available **October 1**
- Must complete online
- Information requested varies by school/program
 - can include home equity, non-custodial parent finances, special financial situations
- Deadlines vary by college/program

Behind the Scenes



Expected Family Contribution

Expected Family Contribution (EFC): measures the relative financial strength of the family to contribute to educational expenses. It is not a measure of cash flow or cash on hand. Think of it as an index or scale.



Financial Aid Formula

Cost of Attendance (COA)

minus

Expected Family Contribution (EFC)

equals

Financial Need (NEED)

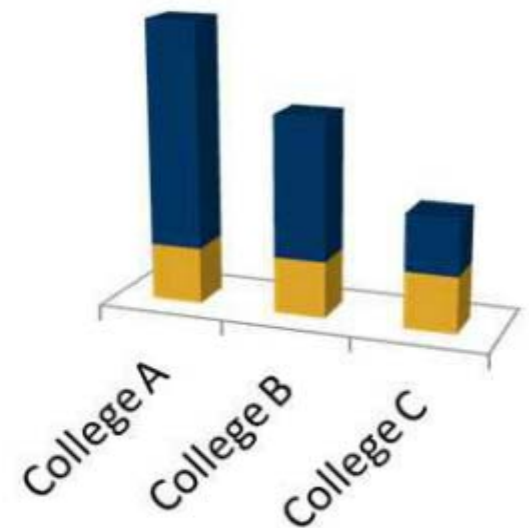
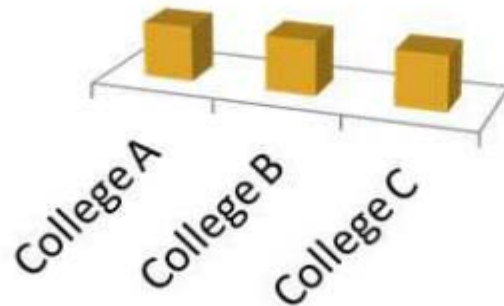
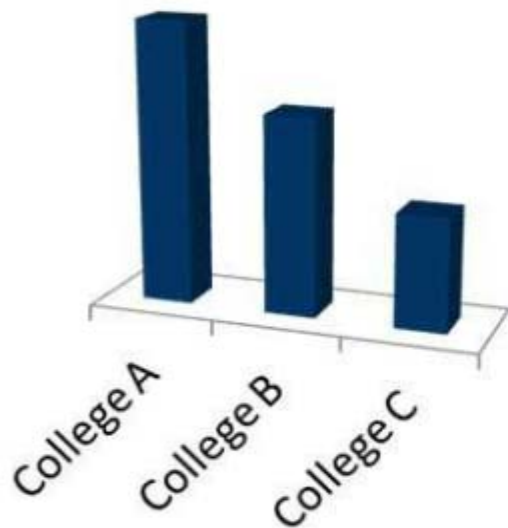
COA

-

EFC

=

NEED



Financial Aid Timeline

**Applies ONLY to those who
are Seniors in 2015-2016!!!**

Mar - Apr

- Compare **financial aid** awards
- Communicate special circumstances
- Update FAFSA with actual tax information
- Submit any outstanding documents

Summer
before
Senior Year



Federal Financial Aid

<https://studentaid.ed.gov/sa/sites/default/files/federal-grant-programs.pdf>

Federal Grant Program	Program Details	Annual Award (subject to change)
Federal Pell Grant	<ul style="list-style-type: none"> Awarded to undergraduate students who have exceptional financial need and who have not earned a bachelor's or graduate degree; in some cases, however, students enrolled in a postbaccalaureate teacher certification program might receive a Federal Pell Grant Federal Pell Grant lifetime eligibility is limited to 12 semesters or the equivalent 	Up to \$5,730
Federal Supplemental Educational Opportunity Grant (FSEOG)	<ul style="list-style-type: none"> Awarded to undergraduate students who have exceptional financial need and who have not earned a bachelor's or graduate degree Federal Pell Grant recipients receive priority Not all colleges participate in the FSEOG program Funds depend on availability at the college; apply by your college's deadline 	Up to \$4,000
Teacher Education Assistance for College and Higher Education (TEACH) Grant	<ul style="list-style-type: none"> For undergraduate, postbaccalaureate, or graduate students who are or will be taking coursework necessary to become elementary or secondary teachers Must agree to serve, for a minimum of four years (within eight years of completing academic program), as a full-time teacher in a high-need field in a school or educational service agency that serves low-income students Must attend a participating college and meet certain academic achievement requirements Failure to complete the teaching service commitment will result in the grant being converted to a Direct Unsubsidized Loan that must be repaid 	Up to \$4,000
Iraq and Afghanistan Service Grant	<ul style="list-style-type: none"> For students whose parent or guardian was a member of the U.S. armed forces and died as a result of performing military service in Iraq or Afghanistan after the events of 9/11 Must be ineligible for a Federal Pell Grant due only to having less financial need than is required to receive Pell funds Must have been less than 24 years old or enrolled at least part-time at an institution of higher education at the time of the parent's or guardian's death 	Up to \$5,311.71 For grants first disbursed on or after Oct. 1, 2014, and before Oct. 1, 2015

Federal Financial Aid cont.

<https://studentaid.ed.gov/sa/sites/default/files/federal-loan-programs.pdf>

Federal Work-Study

Opportunity for student with financial need to earn money to help pay education expenses.

Amount will vary from college to college.

Usually limited number of hours per week.

Federal Perkins Loan

This program expired on September 30, 2015. There is a chance it may come back with reauthorization of the Higher Education Act.

Federal Loan Program	Loan Details	Annual Award (subject to change)
Direct Subsidized Loan	<ul style="list-style-type: none"> For undergraduate students who demonstrate financial need Loans first disbursed on or after July 1, 2015, and before July 1, 2016, interest rate is 4.29% Student is not usually charged interest on the loan during certain periods The U.S. Department of Education (ED) is the lender; payment is owed to ED 	<p>\$3,500–\$5,500, depending on grade level</p> <p>For total lifetime limit, visit StudentAid.gov/sub-unsub</p>
Direct Unsubsidized Loan	<ul style="list-style-type: none"> For undergraduate and graduate students; financial need is not required For loans first disbursed on or after July 1, 2015, and before July 1, 2016: 4.29% interest rate for undergraduate students, and 5.84% interest rate for graduate and professional students Student is responsible for interest during all periods ED is the lender; payment is owed to ED 	<p>\$5,500–\$20,500 (less any subsidized amounts received for same period), depending on grade level and dependency status</p> <p>For total lifetime limit, visit StudentAid.gov/sub-unsub</p>
Direct PLUS Loan	<ul style="list-style-type: none"> For parents of dependent undergraduate students and for graduate or professional students; financial need is not required Student must be either a dependent undergraduate student for whom a parent is taking out a Direct PLUS Loan or a graduate or professional student who is receiving a Direct PLUS Loan For loans first disbursed on or after July 1, 2015, and before July 1, 2016, interest rate is 6.84% Borrower must not have negative credit history Borrower is responsible for interest during all periods ED is the lender; payment is owed to ED 	<p>Maximum amount is cost of attendance minus any other financial aid student receives; no minimum amount</p>

Cal Grant

- Gift Aid, Need-Based
- Administered by the California Student Aid Commission(CSAC)
- Requires FAFSA and GPA
- Available to undocumented students (submit the DREAM application in lieu of FAFSA)
- Deadline for application (FAFSA or DREAM) and GPA is **March 2**

Create an Account!

<https://mygrantinfo.csac.ca.gov>

	Cal Grant A	Cal Grant B	Cal Grant C
Merit Eligibility (GPA calculated following CSAC rules)	min 3.0 GPA	min 2.0 GPA	none
Need Eligibility (Must meet each year)	Income & Asset ceilings based on # in household; Financial Need of at least maximum award amount plus \$1,500	Income & Asset ceilings based on # in household; Financial Need of at least \$700	Income & Asset ceilings based on # in household; Financial Need of at least maximum award amount plus \$1,500
Amount (2015-2016)	Up to system wide tuition & Fees at UC and CSU Up to \$9,084 at private schools	Same as Cal A in sophomore, junior, and senior years Also receive Cal B Access (\$1,656) for books & supplies (this can be received at community colleges) for all four years	Up to \$547 for books & supplies Up to \$2,462 for tuition & fees if attending school other than a community college

Institutional Financial Aid

Scholarships

- Gift Aid, usually Non-Need-Based
- From college funds or donations
- College's investment in the student
- Various criteria
 - Merit-Based (academics)
 - Skill, Unique Characteristic, Major
- Sometimes requires an Application

Grants

- Gift Aid, usually Need-Based
- FAFSA, PROFILE, and/or Institutional Aid Application



Loans & Work-Study

- Self-Help Aid, Need-Based or Non-Need Based

Private Sources of Financial Aid

Scholarships

- Gift Aid, Need-Based or Non-Need-Based
- Civic & local organizations
- Churches
- Employers, Companies
- Websites

Private Loans

- Self-Help Aid, Non-Need-Based
- Available from financial institutions
- Student is borrower, credit-based (recommend co-signer)
 - Both variable and fixed interest rate options
- Variety of repayment options (interest while in school, minimal payments while in school, defer payment)

Compare Award Letters

- Many institutions cannot meet all of a family's demonstrated Need (remember: COA-EFC=NEED)
- Award letters are all formatted differently
- It is important to look at the out-of-pocket cost to you after Financial Aid, not just the scholarship amount
- A comparison tool can help you compare costs and the award letters side-by-side, and will give you an idea of your costs after aid (www.bigfuture.org, www.finaid.org)
- Make sure to read and follow all instructions and requests for additional information – some schools will want you to respond to accept and reject, others want you to respond just to reject

Prepare for College

Financial Aid Timeline

Summer
before
Senior Year

May

- National Reply
Date is **May 1**

Final Tips

- READ! READ! READ!
- FAFSA is FREE
- Apply for everything – little awards add up
- Meet Deadlines (Cal Grant = March 2)
- You must complete the FAFSA each year
- Contact the Office of Financial Aid with any unusual financial circumstances
- Ask questions and ask for help when needed

Other Considerations

- Make your AGI as small as possible
- Use savings to pay off credit card balances & other debts
- Save half of the student's income over \$6,400 (2016-2017)
- Stay away from high risk investments the closer the student is to college
- Avoid putting money in the student's name
- Think hard before taking money from retirement
- Tax Breaks: American Opportunity Credit (Hope Scholarship Credit), Lifetime Learning Tax Credit, and Deduction for Student Loan Interest

Upcoming Timeline Changes

2016-2017 and Prior

- FAFSA available January 1 prior to the start of the academic year (i.e. 2016-2017 FAFSA available January 1, 2016)
- FAFSA uses prior tax year info (i.e. 2016-2017 FAFSA uses 2015 tax info)
- Most people file using estimated information and then update once taxes are filed
- 1st Financial Aid Awards mailed in February/March
- Cal Grant FAFSA & GPA deadline is March 2

2017-2018 & Beyond

- FAFSA available October 1 prior to the start of the academic year (i.e. 2017-2018 FAFSA available October 1, 2016)
- FAFSA uses prior-prior year tax info (i.e. 2017-2018 FAFSA uses 2015 tax info)
- Most people will file using actual tax information because taxes should already be filed
- 1st Financial Aid Awards *may be* mailed before the New Year
- Cal Grant FAFSA & GPA deadline *may change*

FAQs

Will my Financial Aid Award be the same every year?

It depends... You file the FAFSA each year based on the prior year's tax information and the current year's household information. If there is a change from year to year, then the award may be different.

We have a lot of consumer debt. Is there a way to show that on the FAFSA?

No – the FAFSA does not consider outstanding consumer debt.

My parents are divorced. Whose tax information do I use?

For the FAFSA, you use your custodial parent (who you live with more than 50% of the time). Remember, there are 365 days in most years! If she/he has remarried, you must include step-parent information also. If your parents are separated or divorced, but living together, then both must be on the FAFSA.

Other Questions?



Financial Aid Timeline

for Fall 2016 entering students

June – Aug
2015

- Continue to research and apply for scholarships
- **Estimate costs**
- Plan for deadlines and required forms

Dec 15 – Jan 16

- Continue submit Admission and scholarship applications
- Gather year end financial documents
- Get to know the **FAFSA** (available **Jan 1**)

Mar – Apr 2016

- Compare **financial aid awards**
- Communicate special circumstances
- Update FAFSA with actual tax information
- Submit any outstanding documents

Summer
before
Senior Year

Sept – Nov
2015

- Continue to research and apply for scholarships
- Submit Admission applications
- If required: Submit the **CSS/PROFILE** (available **Oct 1**)

Jan – Mar 2016

- Submit **FAFSA** on/before **Mar 2**
- Update **FAFSA** and/or **PROFILE** as needed (new schools, filed taxes)
- Submit any other required Institutional financial aid applications or documents
- Confirm GPA submitted for Cal Grant on/before **Mar 2**

May 2016

- National Reply Date is **May 1**

Resources

Federal Student Aid: www.studentaid.ed.gov

FAFSA: www.fafsa.gov FAFSA PIN: www.pin.ed.gov

Cal Grant: www.calgrants.org

FinAid: www.finaid.org

FastWeb: www.fastweb.com

Scholarship America: www.scholarshipamerica.org

College Board: www.collegeboard.org

Big Future: www.bigfuture.org (presentation adapted from a presentation on this site)