

Paying for College: Getting Started Roosevelt HS

November 3, 2021

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What is Financial Aid??

Gift Aid

- Grants
- Scholarships

-May be based on:

- Financial need
- Merit
- Other criteria



Self-help Aid

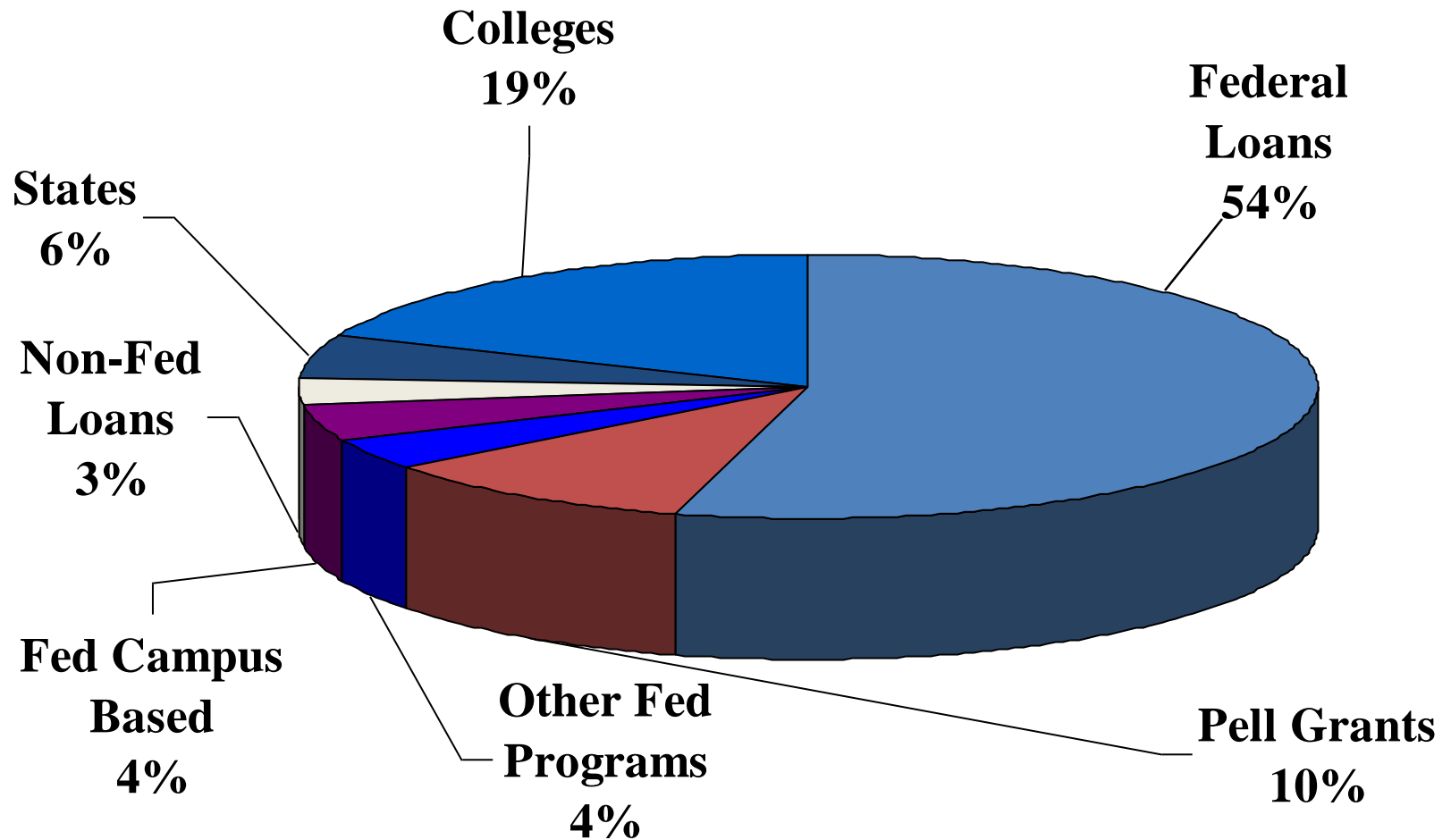
- Loans
- Employment Opportunities

May be:

- Need based
- Non-need based



Sources of Financial Assistance



SO YOU THINK YOU DON'T QUALIFY ?..THINK AGAIN!

2020-2021

- Avg Financial aid package for incoming freshman
- **\$19,867** (includes loans, work study and grants)
- **\$16,100** (includes grant and scholarship money only)



Net Price Calculator

- An easy tool that allows a student and family to get a “ballpark” estimate on what the college financial aid award might be.
- Is this a college that is worth applying to?



What is the FAFSA??



It May Not Be Fun, But It's Necessary! 😊

I look forward to filling out the FAFSA forms!

Said no one ever.....



someecards
user card

**YOU HAVEN'T
FILLED OUT YOUR
FAFSA YET?
ARE YOU
KITTEN ME?**



So What is FAFSA?



FAFSA stands for Free Application for Federal Student Aid

- Collects family demographic and financial information in order to determine financial need.
- Uses Prior-Prior Year income (2020 taxes for 2022-2023 FAFSA).
- FAFSA available every October 1st.
- Electronic version of FAFSA.
 - WWW.FAFSA.GOV
 - Student and parent must have separate FSA ID's to log in
 - Use IRS Data Retrieval Tool – Quicker FAFSA filing & prevents FAFSA errors
- Paper FAFSA's are still available, although online has much faster processing time.
- FAFSA maintenance usually on Sunday mornings.

Application Process - FAFSA

Free

Application for

Federal

Student

Aid



- ❖ www.fafsa.gov
- ❖ 2022-2023 FAFSA (H.S. Seniors Fall 2021) Available on Oct 1st 2021, Use 2020 income and tax information
- ❖ 2023-2024 FAFSA (H.S Juniors Fall 2021) Available on Oct 1st 2022, Use 2021 income and tax information.

FSA ID

- Federal Student Aid ID.
- Username and password.
- Student and parent must each create their own.
- Will be used every year to:
 - Electronically sign FAFSA
 - Complete student loan paperwork
 - Login to U.S. Department of Education websites
- FSA ID password expires every 18 months.



FAFSA Changes for 21/22 and looking forward to 22/23

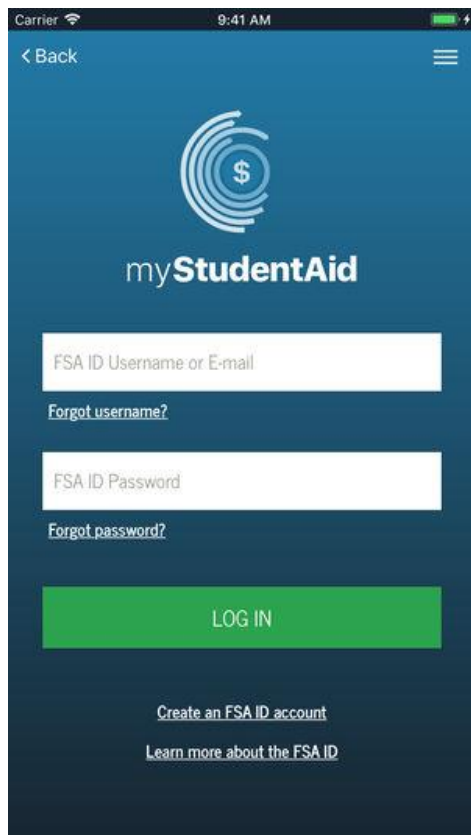
- Registration status with Selective Service no longer affects students' eligibility to receive federal student aid. However, students can still register through the FAFSA form.
- Drug convictions no longer affect federal student aid eligibility.
- 2022-2023 – change in name from Expected Family Contribution (EFC) to Student Aid Index (SAI).
- The number of family members in college will no longer be a factor for determining student aid eligibility (starting in 2022).



myStudentAid (App)

It was brand new for 19-20

Stick with www.fafsa.gov for now 😊



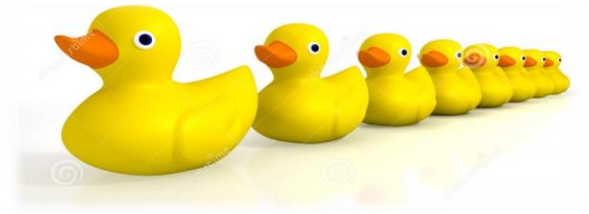
Top 3 FAFSA Errors

- Social Security Numbers
- Date of birth
- Correct Name



Application Process- FAFSA

Get your ducks in a row!



Gather records you will need

- ▶ Students' Drivers License and Social Security Card
- ▶ Parents' Social Security Card
- ▶ W-2 forms and other records of money earned in 2020
- ▶ 2020 Federal Income Tax Returns and applicable schedules
- ▶ Records of Untaxed Income
- ▶ Current Bank Statements
- ▶ Business and Farm Records (if employee 100+)
- ▶ Records of Stocks, Bonds and Other Investments
- ▶ College codes: May list up to ten college codes to receive FAFSA

School Deadlines

Don't Drop the Ball (like our Mets did☹️ this year)



Check with each college for their own school deadline!



Key Elements to Financial Aid Eligibility

- Primary income
- Savings (both)
- Investments (both)
- Real estate (Not your Home)
- Household size (who lives with you)..if you are lucky like me to have your in-laws living with you..that could help FA eligibility.

Parent Assets

- Parent's income reported.
- Parent's assets reported (with exception of home value, and retirements savings).
- Generally speaking, 1st 45K of parents savings and investment value does not count in formula.
- Assessed at 5.64% (after the 1st 45K).
- Business value (less than 100 employees..business value does not count.

Saving for College

- 529 plans always count as a parent asset even if it's in child's name.
- Other relatives?. Does not get listed on FAFSA.



What counts and what does not!

Counts!

- Brokerage accounts, certificates of deposit (CDs), stocks, bonds, mutual funds, money market accounts.
- commodities, precious metals, the vested portions of stock options and restricted stock units, exchange-traded funds (ETF), hedge funds, trust funds, private equity, and other investments.
- Real estate (other than the family's principal place of residence), real estate investment trusts (REIT), loans held, installment contracts, trust funds, private equity, and other investments.
- Uniform Gift to Minors Act (UGMA) and Uniform Transfer to Minors Act (UTMA) accounts, are reported as assets of the account owner (you, the student), not the custodian.
- College savings plans (529 college savings plans, prepaid tuition plans, and Coverdell education savings accounts) are reported as an asset of the account owner, not the beneficiary.

Does not!

- Qualified retirement plans such as 401(k) plans, 403(b) plans, pension plans, annuities, traditional IRAs, Roth IRAs, Keogh, SEP and SIMPLE plans.
- Life insurance policies, including cash value and whole life insurance policies.
- Personal possessions, such as clothing, furniture, books, cars, boats, computer equipment and software, television and stereo equipment, music collections, jewelry, coin, stamp, art, and wine collections.

How Does Child Support Factor into FAFSA??

- Child support paid is included on the FAFSA
If parent or step parent pays child support,
info is included on FAFSA.

Child support rec'd (all children in household)
is included.

Who Qualifies as Independent on FAFSA?

- Students under 24 who are
 - On active duty or a veteran of the U.S. armed forces.
 - Married or financially supporting their own child or other tax dependents.
 - Orphans, youth who are/were in the foster care system or a ward of the court at any time since age 13.
 - Emancipated minors (NYS does not emancipate).
 - In the care of a court-appointed legal guardian.
 - Homeless, at risk of being homeless or an unaccompanied youth.

Counselor Question: Parent Refusal

- What if a student's parent simply refuses to provide their information?
 - This is NOT considered a valid claim for independence.
 - Students may submit the FAFSA indicating they cannot provide parent info.
 - They are only eligible to receive an Unsubsidized Direct Stafford Loan.

Principles of Need Analysis

- To the extent they are able, parents have primary responsibility to pay for their dependent children's education.
- Students also have a responsibility to contribute to their educational costs.
- Families should be evaluated in their present financial condition*****
- A family's ability to pay for educational costs must be evaluated in an equitable and consistent manner, recognizing that special circumstances can and do affect its ability to pay.

Special Circumstances

- Change in employment status.
- Medical expenses not covered by insurance.
- Unusual dependent care expenses.
- One time occurrence.
- Natural Disaster.



Impact of Covid-19

- We continue to get guidance from the department of education on what, if any additional funding may be available due to the current pandemic.
- File FAFSA as early as possible.
- Colleges will follow regular appeal steps in most cases.



IRS-FSA Concept

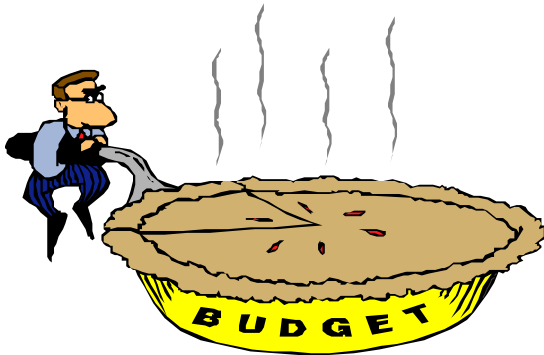
- Federal Student Aid (FSA) and the Internal Revenue Service (IRS) have developed a collaborative solution to simplifies FAFSA completion.
- Tax filer Retrieves Their Own Data.
 - No Consent
 - Voluntary
- Will allow some applicants that use FAFSA on the Web to retrieve their income tax data from the IRS.
- IRS data can be automatically transferred to FOTW.

How Financial Need is Determined

Cost of Attendance

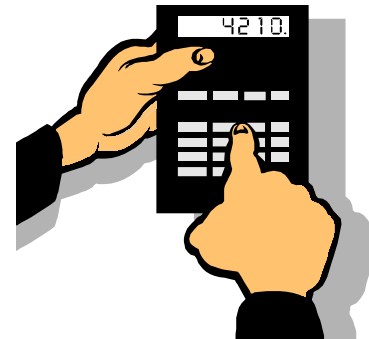
$$\begin{aligned} & - \text{Expected Family Contribution} \\ & = \text{Financial Need} \end{aligned}$$

Tuition and Fees
Books and Supplies
Room and Board
Transportation
+ Miscellaneous Expenses
= Cost of Attendance



Expected Family Contribution (EFC)

Parent's Contribution from Income
Parent's Contribution from Assets
Student's Contribution from Income
Student's Contribution from Assets



Determining Financial Need

Financial Need

How much aid can a student receive?



Sample Award Package

- ABC university (private)
 - COA= 50,000
 - EFC = 25,000
 - FN= 25,000
- DEF university (public)
 - COA = 25,000
 - EFC = 25,000
 - FN= 0
- You could be eligible for need based aid at one college but not another

Whose Data is Reported on FAFSA?

Scenario 1

- Student
- Mom
- Dad

Scenario 2

- Student lives with Mom (Mom is divorced from Birth Father).
- Student and Mom only.

Whose Data is Reported on FAFSA?

Scenario 3

- Student lives with Dad (dad is divorced from birth Mom)
- Student and Dad

Scenario 4

- Student lives with Mom and Mom is remarried
- Student, Mom and Step-dad..

Who is a Parent on the FAFSA?

Who IS a parent?

- Biological Parent
- Adoptive Parent
- Stepparent who is married to and residing with a custodial parent

Who is NOT a parent?

- Other relatives (grandparents, older siblings, aunts/uncles)
- Foster parents
- Court-appointed legal guardians
- Former stepparents (widowed/divorced)

Who is a “Parent?”



- ❑ “Parents” do not include grandparents or other relatives/ friends/ legal guardians with whom the student may live, but who have not formally adopted the student
- ❑ When parents are divorced, give information about the primary custodial parent (with whom the student lived longer during the past year)
 - ❑ To break a tie, give information about which parent provided more financial support
- ❑ When parents are remarried, given information about the primary custodial parent AND that parent’s spouse (the stepparent in whose household the student lives most)

What to Expect After Filing FAFSA??

- Student files FAFSA.
- Student and Financial Aid (FA) office receive the data.
- FA office reviews data.
- FA office sends student “award” letter.
- Student needs to respond to accept or decline.
- In certain instances, colleges may require financial documents to process aid.



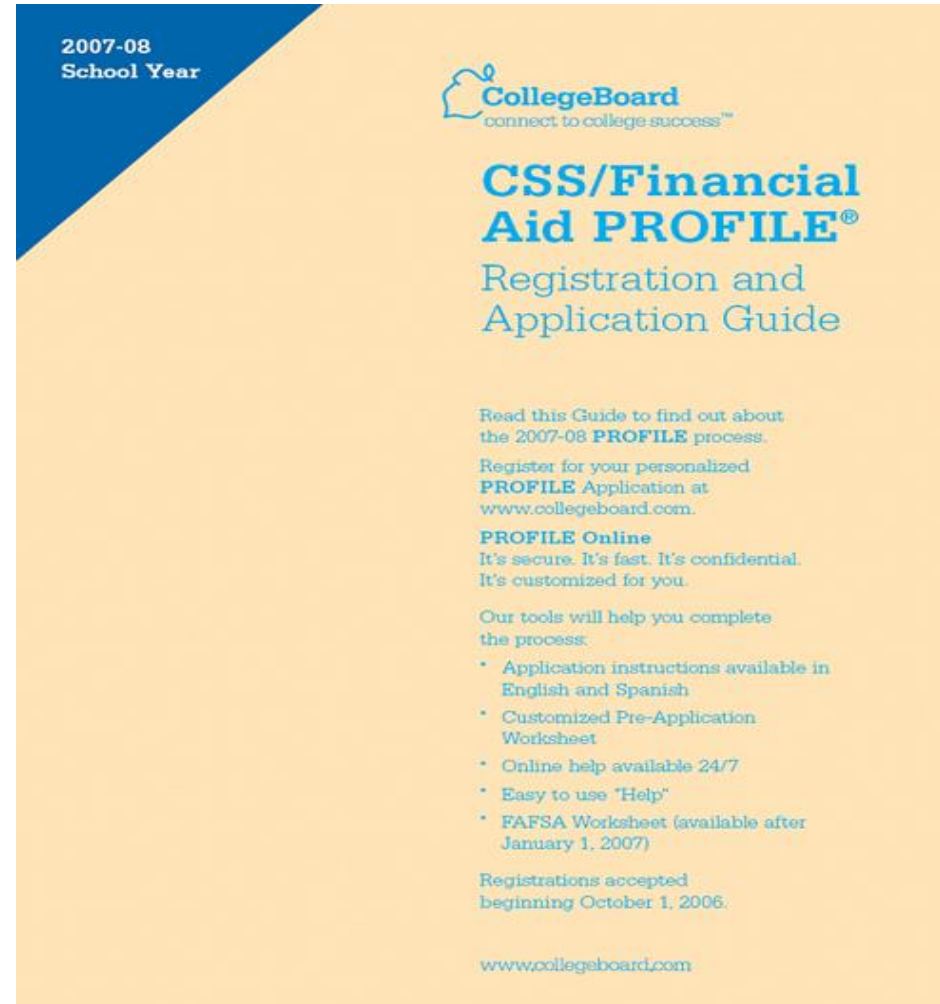
Show me the Money



CSS/Profile

Some schools require the CSS Profile. Be sure to check if the colleges you are applying to do.

- www.cssprofile.org
- CSS Profile form digs deeper into family's situation.
- Form costs money to file - \$25 for 1st college...\$16 for each additional college.



What's Included In a Financial Package?

- Federal Grants
- State Grants
- Institutional Grants and Scholarships
- Federal Loans
- Federal Work-Study
- Outside Scholarships
- Private/Alternative Loans

Types of Scholarships



Consider all types of scholarships:

- Academic merit
- Athletic ability
- Field of study
- Ethnic background
- Religious affiliation
- Special interests
- Financial Need (Excelsior, Enhanced Tuition) NYS HESC

Big Money For Freshmen!

- Most colleges will award much higher levels of scholarship dollars to incoming freshmen.
- Transfer students get far less in scholarship money.



Private Sources

- Foundations, businesses, charitable organizations.
- Deadlines and application procedures vary widely.
- Begin researching private aid sources early.
- The Internet www.fastweb.com
- www.salliemae.com/plan-for-college
- National Scholarship Search through Naviance!

Outside Scholarships: Sure signs it's a scam!

- “I just need your credit card number.”
- “Please enclose a \$5 processing fee”.
- “You’ve been selected” by a group you never heard of.
- “You’re a finalist” in a contest you never entered.



Pell Grants

- Pell is an entitlement.
- Based on need.
- Max award for the 20/21 year is at \$6495.
- Does not run out.
- Deadline June 30th or last day of enrollment.

Federal Supplemental Educational Opportunity Grants (SEOG)

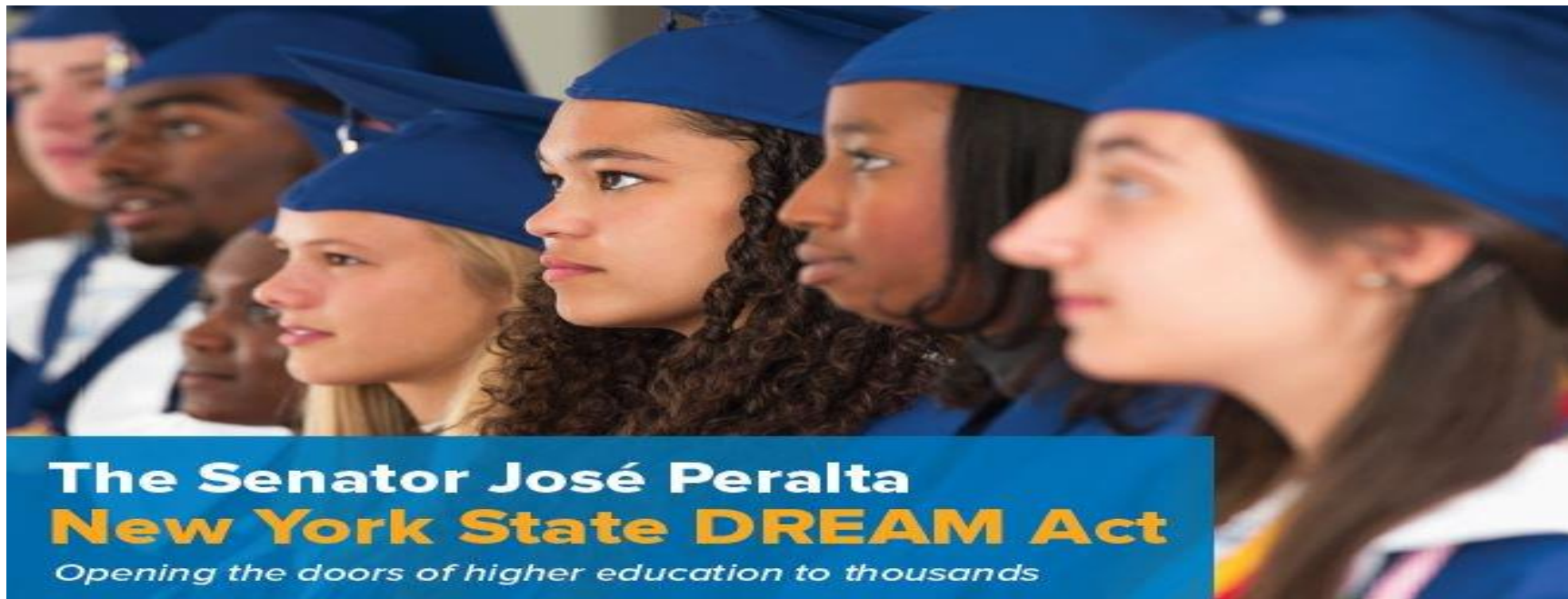
- Federal Grant.
- Based on need.
- Up to \$4,000 per year.
- Limited Fund (it can run out).

Institutional Grants

- Academic-Based Scholarships.
- Talent-Based Scholarships (Athletic, Music, etc.).
- Need-Based Grants/Scholarships.

TAP

- State Grant.
- Based on net taxable income (less than 80k).
- Full time/Part-Time enrollment status.
- Student can receive TAP for 8 semesters then he or she could be considered **TAPPed Out** (you like that one...I just made it up..).
- May 1st deadline (APPLY VIA LINK AFTER FAFSA OR DIRECT AT WWW.TAPWEB.ORG)



The Senator José Peralta **New York State DREAM Act**

Opening the doors of higher education to thousands

Beginning with the 2019-20 academic year, thousands more students seeking a college degree may be eligible for NYS financial aid to support their higher education costs through the **New York State DREAM Act**:

- Those with certain documented and undocumented statuses, including DACA status
- Lawful permanent residents
- U.S. citizens

Your immigration status is kept confidential by New York State and your college under New York State and federal law

visit **hesc.ny.gov/dream**
to learn how you can benefit



William D Ford Direct loans

Subsidized

- 3.73% fixed (2020-2021).
- Based on need.
- Federal government pays interest while student is in school.
- \$3,500 for Freshman.

Unsubsidized

- 3.73% fixed interest.
- Not based on need.
- Student is responsible for interest while in school.
- \$5,500 for Freshman.
- *If Freshman is eligible for \$3500 subsidized, they can also get \$2000 in unsubsidized loans- total of \$5500.

Direct Plus Loan for Parents

For parents of dependent students:

- Borrow up to entire cost of college less financial aid.
- No adverse credit (parent must pass credit check). If denied...student can borrow additional unsubsidized direct loan for \$4,000.
- Interest Rate 6.28%

www.startheregetthere.ny.gov

- Virtual FAFSA Completion event upcoming.
- Nov 18th 2021.
- Experts offer you one-on-one help as YOU file the form over zoom.



www.studentaid.ed.gov

Q Search



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Help students and parents prepare for college or career school.

The Financial Aid Toolkit provides federal student aid information and outreach tools for counselors, college access professionals, nonprofit mentors, and others.



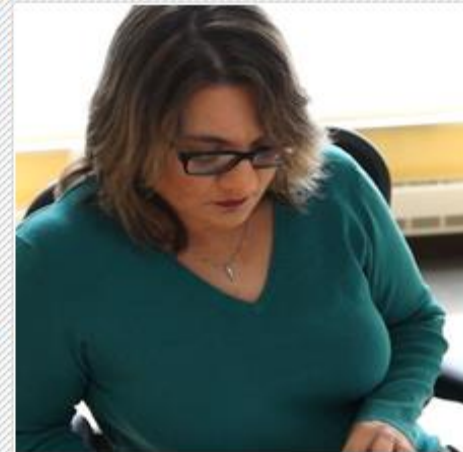
LEARN ABOUT FINANCIAL
AID



CONDUCT OUTREACH

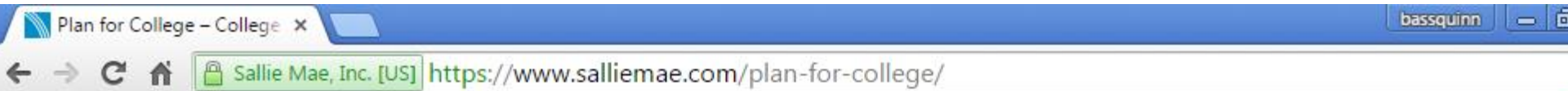


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- Help Your Students Prepare for the College Application Process

Are you thinking about going to college, but don't know where to start and have a million questions?

This website will take you through the journey step by step to get you where you want to be -- COLLEGE.

See How They Got There



jenny



eno

Questions?

