Graduate Fellowship Programs and Determining Financial Need

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Agenda

- Types of Student Financial Aid
- Determining Financial Need
- Cost of Attendance
- Packaging Financial Aid
- GAANN-specific Packaging
Types of Student Financial Aid

- **Gift Aid** *(assistance that is not repaid)*
  - e.g., grants, scholarships, tuition remission, waivers

- **Self-Help Aid** *(assistance that requires work or that must be repaid)*
  - Employment *(assistance earned as student works)*
    - Hourly or salaried wages
    - May be need-based
  - Loans *(assistance that must be repaid, usually with interest)*
    - e.g., federal, state, and private loans (some with interest subsidy)
Financial Need and GAANN

- GAANN regulations state:
  - All fellows must demonstrate financial need
  - A fellow’s demonstrated financial need is determined according to Part F of Title IV of the Higher Education Act of 1965, as amended (HEA)
  - An institution receives an institutional payment in lieu of assessing a fellow tuition and fees
Need Analysis Basics

- To determine need, the Federal Methodology assesses the student’s and spouse’s (and for a dependent student, the parents’):
  - income and assets;
  - household size; and
  - number in college

- Federal Methodology determines the Expected Family Contribution (EFC) and reports it to student and school via SAR or ISIR
  - EFC is estimate of 9-month contribution to postsecondary education expenses
Determining Financial Need

- Four Components:
  - Cost of Attendance (COA)
  - Expected Family Contribution (EFC)
  - Financial Need
  - Other Aid Received
    - estimated financial assistance (EFA)

- COA - EFC = Financial Need
Meeting Financial Need

- Gift Assistance almost always goes toward meeting need
  - Limited exception for Federal Pell Grants

- Employment programs may go toward need if award was based on financial need
  - Employment awarded that was not need-based is treated like any other employment for Title IV financial aid purposes

- Loans may go toward need if based on need
  - Subsidized loans are need-based
  - Unsubsidized loans are not need-based
  - Parent or Graduate PLUS loans are not need-based
Cost of Attendance (COA)

- COA components defined in statute
  - Section 472 (20 U.S.C. 1087ll) of Higher Education Act of 1965, as amended (HEA)

- In most all cases, COA components are the same for all federal student financial assistance programs
  - GAANN is one exception
Cost of Attendance (continued)

- Part F of the HEA requires that Title IV COA budgets must include the following:
  - Tuition and fees;
  - Room and board; and
  - Allowances for:
    - books and supplies,
    - transportation, and
    - miscellaneous personal expenses
Cost of Attendance (continued)

- As appropriate, include in COA other expenses such as:
  - Program-specific costs;
  - Dependent care (includes elder care);
  - Disability-related expenses;
  - Study abroad costs;
  - Reasonable, documented purchase/rental of computer;
  - Loan fees (if any); and
  - One-time cost of obtaining professional licensure/certification
Packaging Title IV Aid

- COA cannot be exceeded
- Need-based aid cannot exceed financial need
- Exceptions:
  - Federal Pell Grant is quasi-entitlement
  - Certain veteran’s education benefits or AmeriCorps awards/benefits can affect the total financial aid package received
Professional Judgment

- Financial aid administrator (FAA) can adjust a student’s Title IV COA or EFC data elements to account for unusual circumstances, such as:
  - change in income due to job loss, divorce, one-time income gain, etc.
  - financial loss due to natural disaster
  - excessive medical/dental bills

- Professional judgment policies vary from school to school
GAANN Packaging

- **Do not include tuition and fees in COA**
  - School receives institutional payment in lieu of charging tuition and fees
  - If must include due to accounting, then include the same amount in package and in reporting to ED

- **Generally package for 12 months**
  - Be sure to use 12-month EFC
  - Special documentation if student not enrolled for a period (but still must be pursuing academic work)
Contact Information

For questions on need analysis:

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