

Graduate Fellowship Programs and Determining Financial Need

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U.S. Department of Education

September 2006

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's 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 Student Aid Report (SAR) or Institutional Student Information Report (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)**

- $COA - EFC = \text{Financial Need}$

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. 1087II) 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 (cont'd)

- **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 (cont'd)

- **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 institutional payment in package and reporting
- **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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