

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)

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

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 (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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