FAFSA 101



Professional Learning Webinar Wednesday, September 30, 2020

Sponsors and Partners





We cover what matters.







Housekeeping

- Please keep your microphones on mute at all times to avoid feedback while speakers are speaking
- This webinar will be recorded and posted to youtube.com/alabamapossible
- You can submit questions throughout the webinar using the Chat feature

Share Your Commitment to Building a College-Going Culture on Social Media

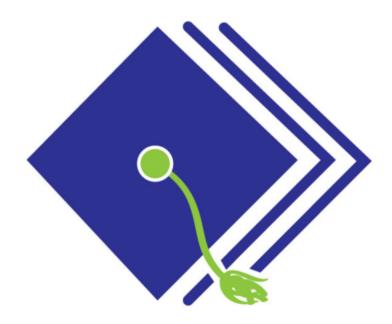


#ALGoes2College #PellYes #FAFSA #Cash4College #IApplied #CollegeSigningDay #BetterMakeRoom

Alabama Goes to College Campaign 2020-2021

ALABAMA Goes to College

alabamagoes2college.org



Alabama Goes to College Campaign 2020-2021

High schools should sign up at alabamapossible.org/register2020-21

Components of the Campaign

- Cash for College
- Alabama College Application Week
- College and Career Decision Day







LEARNING OBJECTIVES

- What is FAFSA?
- Why should students and their families complete it?
- What are the different types of financial aid?
- What are the steps to complete the FAFSA and receive aid?
- How do you promote FAFSA Completion?
- Where can you find resources for help?



The FAFSA is the Free Application for Federal Student Aid.

PELL GRANT making education possible

The Pell Grant can be used to pay for education after high school and *does not* have to be paid back.



Most high school seniors in Alabama qualify for a Pell Grant.



The maximum Pell Grant a student can receive is \$6,345 per year.



The average cost of tuition and fees per year at a 2-year college in Alabama is \$4,770.

Source: <u>National Center for Education Statistics</u> (Digest of Education Statistics 2018-2019)



9 out of 10 students who complete the FAFSA enroll in college the following fall.

Source: U.S. Department of Education

Millions Left on the Table Annually

Data from U.S. Department of Education and Alabama State Department of Education as of 6/26/20

57.4%	Percent of High School Graduates Qualifying for a Pell Grant
47.0%	Percent of High School Graduates Who Failed to Complete the FAFSA
23,915	Number of High School Graduates Who Failed to Complete the FAFSA
13,727	Number Who Failed to Complete the FAFSA Who Probably Qualified for a Pell Grant
\$4,303	Average Pell Grant for an Alabama Student
\$59,068,185	Estimated Total Pell Grant Funds Left Unclaimed

WHAT IS FAFSA?

Free Application for Federal Student Aid

FAFSA helps schools determine the type of federal student aid students are eligible to receive based on their financial need.

Completed at fafsa.gov or using the myStudentAid app beginning October 1



HOW FAFSA CALCULATES AID

Determined by Financial Aid Office **Cost of Attendance (COA)** Determined by Estimated Family Contribution (EFC) **FAFSA** = Financial Need. **Determines Need-Based** Aid offered by School

WHY COMPLETE THE FAFSA?

• Students may be eligible for up to \$6,345 per year in Pell grants.



- Many scholarships require FAFSA completion.
- Shows College Admissions Office that you are serious about attending school.

TYPES OF FINANCIAL AID

There are **four** main types of financial aid to help you pay for college:

- GRANTS

 Gift aid that doesn't have to be paid back. Grants are often need-based like the federal Pell Grant.
- 2 SCHOLARSHIPS

 Another form of gift aid. Can be awarded for anything, including academics, athletics, or volunteer work.
- WORK-STUDY

 Get a paid part-time job through the federal work-study program to help you cover part of the cost of college.
- 4 LOANS
 Borrowed money that must be paid back with interest (an extra charge that grows over time).





TYPES OF FINANCIAL AID

Financial Aid Type	Main Qualification
Pell Grant	Demonstrate financial need, up to \$6,345 per year
Iraq and Afghanistan Service Grant	If parent/guardian died serving
TEACH Grant	Students take courses and commit to a teaching career
Federal Perkins Loan	Low-interest rate for low-income students
Subsidized Federal Direct Student Loan	Some financial need; Government pays interest rate while in school
Unsubsidized Federal Direct Student Loan	No financial need necessary; student responsible for interest at all times
PLUS Loans	Taken out by parents or graduate students; Higher interest rates

FINANCIAL AID USES

- Tuition & fees
- Books & supplies (including a reasonable amount for a computer)
- Transportation & child care expenses
- Room & board



STUDENT & FAMILY THOUGHTS 🗩

- "College isn't for me."
- "I probably don't qualify."
- "I'm going to get a sports scholarship."
- "When am I going to have time to do this on top of classes and extracurricular activities?"
- "How am I going to get this information from my parents/guardians?"
- "Why is my child or school asking for my financial information?"

KEY MESSAGES FOR STUDENTS

- FAFSA is free to complete!
- FAFSA is for technical/professional certificates and academic degrees.
- Students may be eligible for up to \$6,345 per year in Pell Grants.
- Many scholarships require FAFSA completion.
- Early completion, beginning October 1, is important.
- Be aware of scholarship and FAFSA priority deadlines at your college.



KEY MESSAGES FOR PARENTS/GUARDIANS

- FAFSA is safe and secure using fafsa.gov.
- Only used to determine your student's eligibility for financial aid.



- Your student needs your help getting key information from you to complete the application.
- The sooner you complete the form, the better chance you have of receiving various types of aid.
- Even if you think your family does not qualify, it's good to have on file in case of the unexpected.

FAFSA ELIGIBILITY

STUDENT ELIGIBILITY REQUIREMENTS

To be fully eligible to accept federal financial aid, students must:

- Have a high school diploma or General Educational Development (GED) certificate.
- Be enrolled/accepted as a regular student in an eligible degree or certificate program.
- Be registered with Selective Service, if male (must register between ages of 18 and 25).
- Have a valid Social Security number (some exceptions).
- Have satisfactory academic progress.
- Sign certifying statements on FAFSA.

STUDENT ELIGIBILITY REQUIREMENTS

If a student is not a U.S. Citizen or U.S. National, they must be able to provide other documentation, such as:

- Green Card
- Arrival-Departure Record (I-94)
- Battered Immigrant Status (VAWA) or T-Visa or parent with T-1 visa
- Even if an immigrant student does not have one of these records, they may still complete the FAFSA as a record of family need. However, they will not be eligible to receive federal aid. They may still be available for state/private aid.

SCHOOL ELIGIBILITY REQUIREMENTS

• Must be accredited by the U.S. Department of Education's Office on Postsecondary Education.

Type of aid available varies by institution.

• Call the institution to confirm.

FAFSA COMPLETION PROCESS

WHICH FAFSA DO I SUBMIT?

The **2021-22 FAFSA** is used to apply for financial aid for fall semester 2021 through summer semester 2022.

The **2020-21 FAFSA** is used to apply for financial aid for fall semester 2020 through summer semester 2021.

2021-2022 FAFSA CHANGES



PROUD SPONSOR of the AMERICAN MIND®

• The income threshold for an automatic-zero Expected Family Contribution (EFC) has increased from \$26,000 to \$27,000 for the 2021–22 award year.





Schedule 1 Question

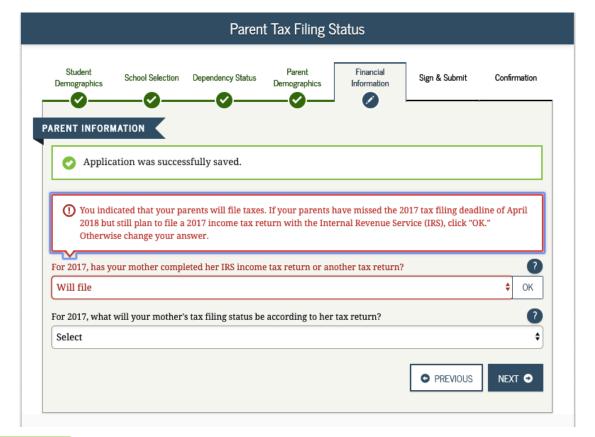
The Schedule 1 question in both the Parent Financials and Student Financials sections of the FAFSA form has been revised.

The answer to the "Did you/your parent file a Schedule 1 with the IRS Form 1040?" can now be transferred by the IRS if the user utilizes the IRS DRT.

The instructions on how to answer the Schedule 1 question in the event the applicant does not use the DRT have also been updated to provide additional clarity when answering the question.

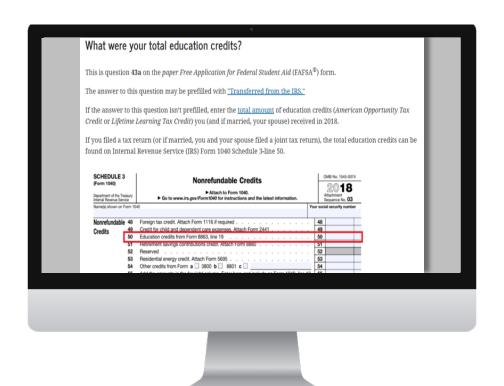


• The online FAFSA form provides faster feedback. For example, students might receive error notifications that can be immediately addressed as they complete the form's fields.





• Many help topics on fafsa.gov referencing financial forms now feature images of those forms with relevant line numbers visually highlighted. For example:

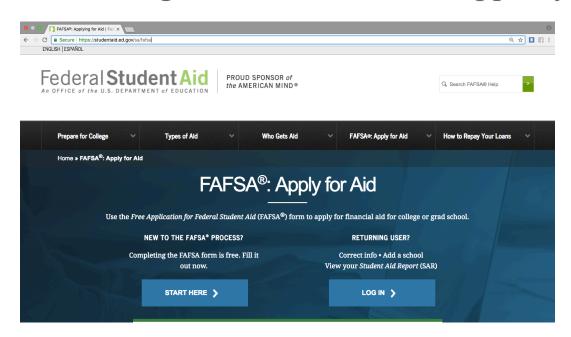


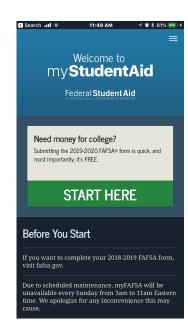


FILING YOUR FAFSA

Students can complete the FAFSA in several locations:

- 1. Online at fafsa.gov
- 2. Through the official mobile app, myStudentAid





STEPS

STEP 1: Gather Documents

These can be done in either order!

STEP 2: Create FSA IDs

STEP 3: Fill out the Application

STEP 4: Sign and Submit

STEP 5: Review Student Aid Report

STEP 6: Verification

STEP 7: Financial Aid Award Letters

STEP 1: DOCUMENTS

It can save time and ensure accuracy if students/families have the necessary paperwork:

- Student's Social Security Number or Alien Registration Number
- Dates of Birth for student and parents/guardians
- Parent's/Guardian's Social Security Number (if student is dependent)
- Prior-Prior Year Tax Returns
- Records of untaxed income
- Benefits like Social Security, Disability, SNAP, TANF, etc.
- Information on cash, savings and checking account balances, real estate assets (not including home)

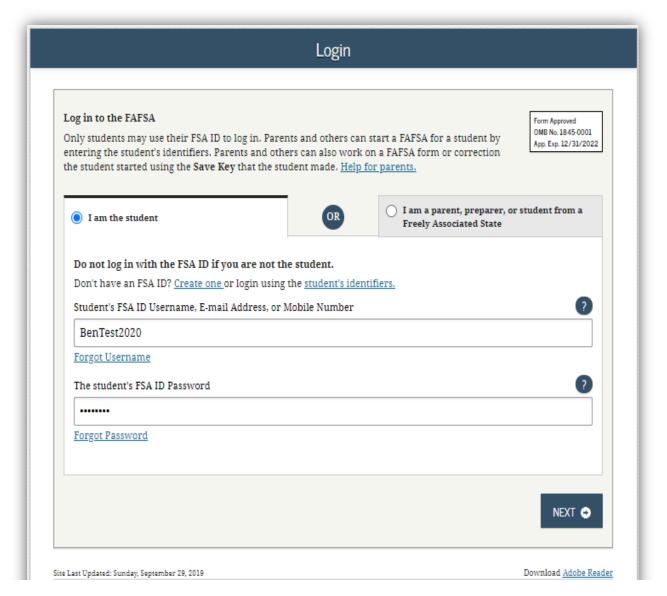
STEP 2: FSA ID

- Can create FSA ID <u>before</u> October 1
- Go to fafsa.gov

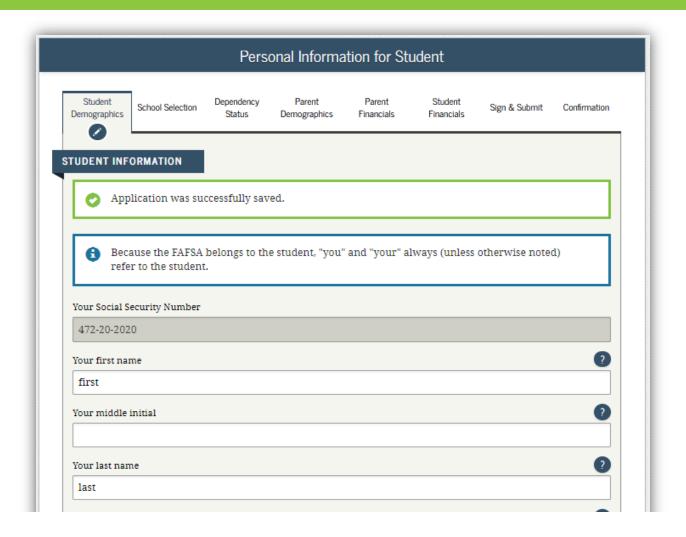


- Both the student and <u>one</u> parent/guardian must have one <u>unless</u> the student is independent under federal guidelines
- Serves as electronic signature when submitting the application

TIP: Encourage families to use a personal email account not subject to change like school or work!



STEP 3: APPLICATION

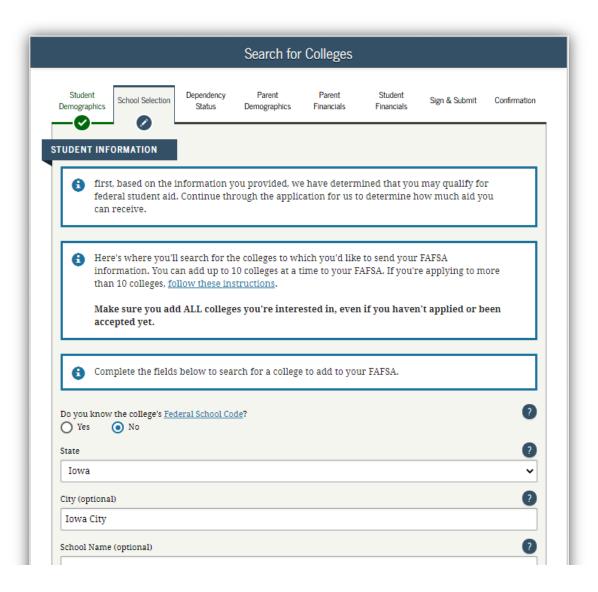


STUDENT DEMOGRAPHICS

- Name entered must match SSN card.
- If student has driver's license, it is helpful to add for identity verification (but not required).
- "Are you interested in being considered for workstudy?" Students should put yes and can later decline.

SCHOOL SELECTION

- Must put at least one school.
- We encourage every student to put at least one <u>local</u> college or university.
- In Alabama, do not need to list a state school first for state aid eligibility.
- Can search by school name/location or code.
- Can add up to 10 schools on initial application
- After submitting, can log in and add additional schools.

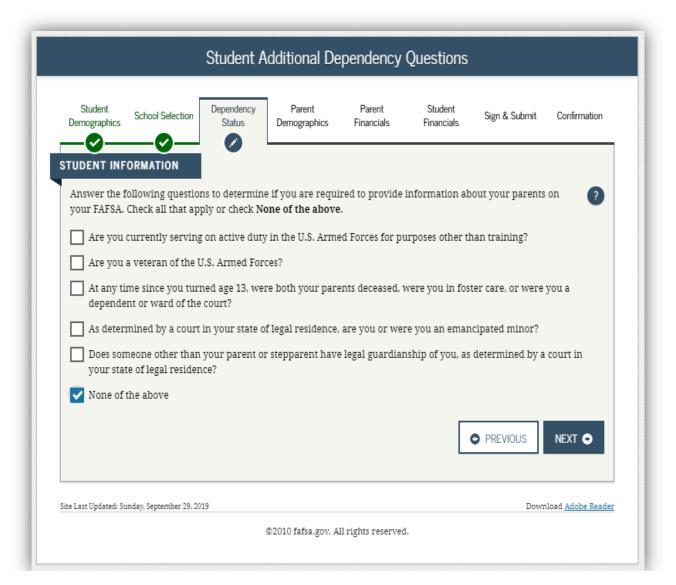


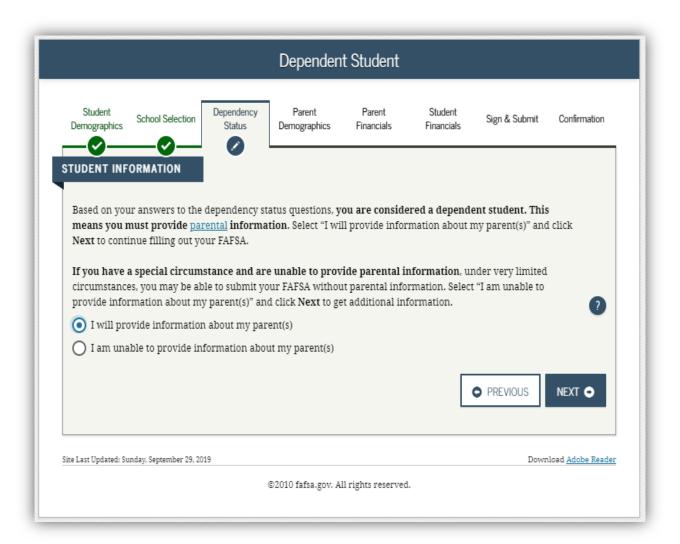
DEPENDENCY STATUS

- Application walks student through a series of questions to determine if a Dependent or Independent Student.
- Independent Students do not require a parent or guardian to complete the FAFSA, but may require additional documentation to verify status.

Resources:

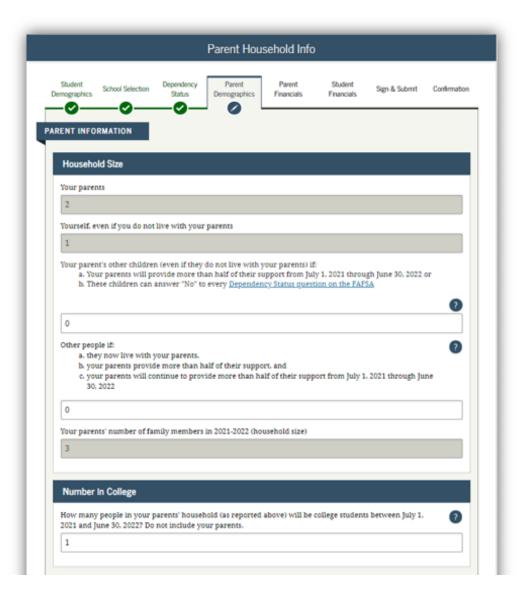
Dependency questionnaire in <u>English</u> and <u>Spanish</u>
Who's My Parent Flow Chart in <u>English</u> and <u>Spanish</u>





PARENT DEMOGRAPHICS

- Marital status and month/year that were married/remarried/separated/divorced/widowed.
- Type of tax return filed (if any).
- Number of people in parents' household.

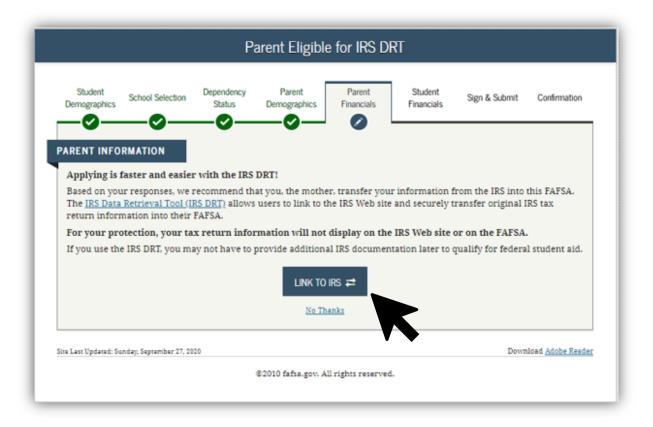


BENEFIT INFORMATION

- Medicaid or Supplemental Security Income (SSI)
- Supplemental Nutrition Assistance Program (SNAP)
- Free or Reduced Price School Lunch
- Temporary Assistance for Needy Families (TANF)
- Special Supplemental Nutrition Program for Women, Infants, and Children (WIC)

IRS DATA RETRIEVAL TOOL

- Allows you to securely and accurately transfer tax return information to the FAFSA.
- Must enter correct address information for return.
- If a family is unable to use, have tax return available.
- <u>Ineligible</u>: Students or parents who are married and filed as Married Filing Separately, are married and filed as Head of Household, or filed a Puerto Rican or foreign tax return are not eligible to use the IRS DRT, and will need to enter their tax return information manually.



IRS DATA RETRIEVAL TOOL

- FAFSA now uses Prior-Prior Year (PPY) tax information, meaning taxes from two years ago.
- Means families can complete FAFSA sooner.
- For the 2021-2022 FAFSA, families will use their 2019 tax return filed in 2020.

WHAT IS TAX INFORMATION USED FOR?

A family's income information is used to determine the need-based aid the student is eligible to receive.

STEP 4: SIGN AND SUBMIT

• Both the child and parent must sign using their FSA ID if submitting electronically.



 Application may be printed, signed, and mailed.

WHAT HAPPENS NEXT?



WHAT'S NEXT?

- It takes 3-5 business days for the Department of Education to process a FAFSA.
- The student will receive their **Student Aid Report** when the results are ready to review. Be sure to review carefully and make any corrections needed.
- The Financial Aid Office will let the student know if additional information is needed.

TIP: Use the ACHE Student Lookup Portal to verify your student's FAFSA is complete

STEP 5: STUDENT AID REPORT

- Check email for SAR (or mail if did not provide an email). Takes 3 days to 3 weeks.
- Check for accuracy and make corrections at fafsa.gov.
- Check for the *Estimated Family Contribution* (EFC).
- If EFC is missing, it means the FAFSA is incomplete.
- There might be a note that some information needs to be corrected or that you have been selected for Verification.
- Important to read it carefully and take any required action.

Processed Information

Federal Student Aid FAFSA.gov 2021-2022 Electronic Student Aid Report (SAR)

The SAR summarizes the information you submitted on your 2021-2022 Free Application for Federal Student Aid (FAFSA).

Application Receipt Date: 0000000-2020 LA 01 Processed Date: 01/01/2021 EFC: 25823 C DRN: 0783

▼Collapse All

> Comments About Your Information

Learn about federal tax benefits for education, including the American Opportunity Tax Credit (AOTC).

Based on the information we have on record for you, your EFC is 25823. You are not eligible for a Federal Peli Grant but you may be eligible for other aid. Your school will use your EFC to determine your financial aid eligibility for other federal grants, loans, and work-study, and possible funding from your state and school.

We have forwarded your name to Selective Service for registration, as you requested.

There is a limit to the total amount of subsidized Federal student loans that you may receive. Visit https://StudentAid.gov and select Types of Aid/Loans for more information.

Your school may request additional information to determine your eligibility for federal student aid.

WHAT YOU MUST DO NOW (Use the checklist below to make sure that all of your issues are resolved.)

Contact the following agency(ies) regarding your defaulted or fraudulent federal student loan(s):

Oklahoma College Assistance Program, Collection Office, 1-800-331-2314 or 1-800-442-8642 (GA 740)

VERIFICATION

Making corrections and providing additional information is **normal!** This process is called Verification.



STEP 6: VERIFICATION

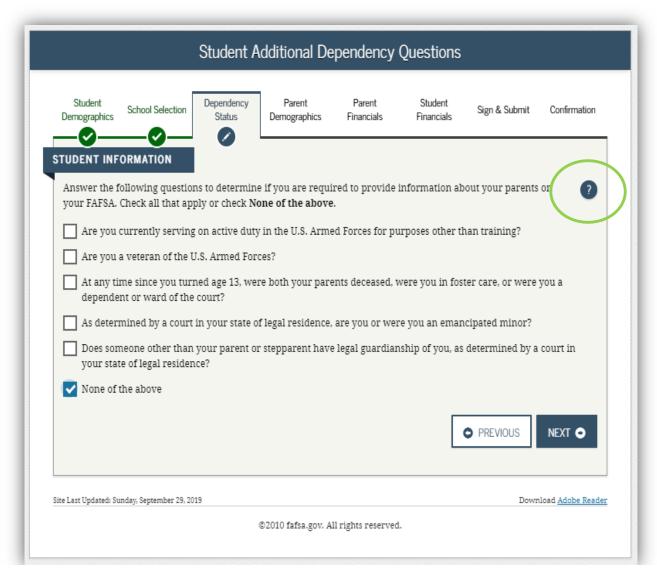
- Many students will be selected for verification, especially if could not use the IRS Data Retrieval Tool.
- Does not mean the student is in trouble.
- Verification process varies by each school.
- Important to respond quickly to requests for documentation to clarify information.
- Most families will need to order a free tax transcript.
- College's Financial Aid Offices are there to help.

STEP 7: FINANCIAL AID AWARDS

- Each college that accepts the student will send a Financial Aid Award Letter.
- For the school the student wants to attend, they must accept or decline each type of aid.
- Generally it's best to accept aid in the following order:
 - 1) Free money (scholarships and grants)
 - 2) Earned money (work-study)
 - 3) Borrowed money (federal student loans)

COMMON MISTAKES

- Not using the correct website.
- Not 100% completing the FAFSA.
- Not completing the FAFSA as soon as its available.
- Inputting incorrect information.
- Listing only one college or not adding additional schools.
- Not using the IRS Data Retrieval Tool.
- Not reading definitions carefully.
- Not signing the FAFSA.
- Not submitting FAFSA within 45 days of starting it.
- Not filing by the deadline for the school or scholarship.
- Waiting until after graduation to complete the FAFSA.



Click the question mark icon for more details!

FAFSA + COVID

COVID CONCERNS

Question: What if the financial situation of the student and their family changed significantly because of financial hardships or unemployment related to COVID?

Answer: The student and their family will submit 2019 tax information which might not reflect their current financial situation. The student should communicate this to the financial aid office at the school immediately after completing the FAFSA and before receiving an award offer.

COVID CONCERNS

Question: What if my student's financial aid award still doesn't reflect their financial need?

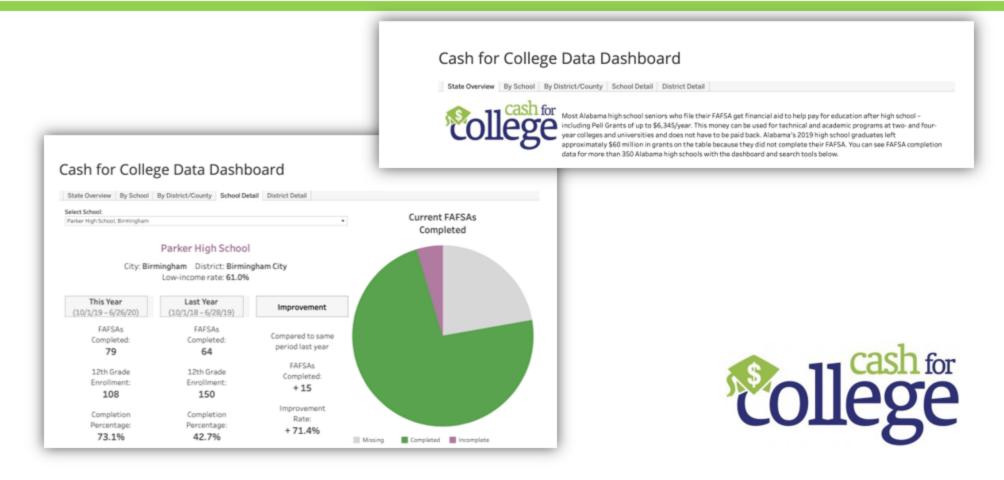
Answer: Appeal directly to the college with documents. Colleges can use *professional judgment* to adjust the information on the FAFSA, which could impact their EFC and grant eligibility. Use appeal templates on SwiftStudent.

FAFSA COMPLETION

BEST PRACTICES

- Use prior-year data to set goals and monitor progress. We have dashboards for that!
- Communicate through multiple channels (e.g., email, social media, website, text, Remind/Signal Vine). We have <u>templates</u> for that!
- Convey the benefits of completing the FAFSA early and keep students updated on priority deadlines! We have a <u>spreadsheet</u> for that!

Cash for College Data Dashboard



ACHE Student Lookup Portal



						Export to Excel	Export to CSV
First Name	Last Name	State ID �	DOB •	Completed FAFSA •	FAFSA Detail	Date App Submitted �	Selected for Verification �
				Complete	Complete FAFSA Application	2019-04-22	N
				Complete	Complete FAFSA Application	2019-01-26	N
				Complete	Complete FAFSA Application	2018-12-11	Υ
				Complete	Complete FAFSA Application	2018-10-12	Υ
				Complete	Complete FAFSA Application	2018-10-08	Υ
				Complete	Complete FAFSA Application	2018-12-30	N



BEST PRACTICES

- Collaborate with other teachers to discuss financial aid during relevant classes (e.g., economics and government). We have a lesson plan for that!
- Partner with local organizations and community colleges to host virtual events promoting the FAFSA (record these for later viewing!) and to provide prizes or incentives.

EDUCATOR RESOURCES

- FSA Financial Aid Toolkit: financialaidtoolkit.ed.gov
- Cash for College Toolkit: alabamagoes2college.org
- NCAN FAFSA Resource Library: ncan.org
- Partner with Financial Aid Offices
- Call Alabama Possible at 334-316-6155 or email us at algoestocollege@alabamapossible.org

STUDENT RESOURCES

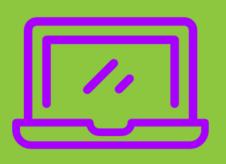
- Fafsa.gov
- Call Federal Student Aid at 1-800-433-3243
- Call Financial Aid Offices
- Call Alabama Possible at 334-316-6155 or email us at algoestocollege@alabamapossible.org

UPCOMING

- October 20-21: FSA Financial Aid Bootcamp
 Webinars covering Understanding the FAFSA, FSA
 Tools and Resources, and FAFSA Line by Line Demo
- TBA: Advanced FAFSA Completion with Alabama Possible

QUESTIONS?

THANK YOU



STAY CONNECTED

alabamagoes2college.org algoestocollege@alabamapossible.org