

FINANCIAL AID 2020-2021

INTRODUCTION

2016 was a watershed year in financial aid. There were significant changes to the process of applying for aid, called Early FAFSA, that impacted the timeline and the procedure families used to engage in the financial aid process.

The Class of 2021 can utilize Early FAFSA by:

1. Submitting a FAFSA earlier. Families can file their 2020-2021 FAFSA as early as October 1, 2020; in the past, families had to wait until January 1 of the senior year to file their FAFSA.

2. Using earlier income information. On the 2020-2021 FAFSA, families will report their 2019 income information.

Why these changes? There are three reasons why the federal government moved to the Early FAFSA. First, allowing families to apply for financial aid in the fall of senior year aligns this process with the same timeline used in the college application process. As students work on their college applications, parents can work on completing the FAFSA and other forms at the same time. Second, using tax information from the prior-prior year [for the Class of 2021, that means using tax information from 2019] insures that information will be readily available to parents. No longer do families have to wait until March or April of senior year to supply accurate, complete tax information, as the required tax information will already have been filed. Third, families should feel less pressure, as they will have more time to get their FAFSA completed long before any college's financial aid deadline.

Below is a brief overview of both federal and state financial aid programs, along with a guide to filing the proper forms. You'll also find a glossary of terms, a list of tips for filing the forms, and an explanation of the federal paperwork you'll receive once you've filed your form.

OVERVIEW OF FINANCIAL AID

A student's financial need is determined by the following equation:

$$\begin{array}{rcl} & \text{Cost of Attendance} & \\ - & \underline{\text{Expected Family Contribution (EFC)}} & \\ = & \text{Financial Need} & \end{array}$$

The Cost of Attendance is the total amount it will cost a family for a student to go to college for an academic year. It takes into consideration tuition and fees, room and board, books, supplies, transportation, childcare, costs associated with a disability and miscellaneous expenses. The college sets this figure. The Expected Family Contribution is an amount determined by formulas established by Congress, and the individual college, that indicate how much of a family's financial resources should be available to help pay for school.

After all corrections have been made to all financial information each family provides, the financial aid administrator at each college which receives information from you will create a financial aid package [or award] for each student. Using available resources, the aid administrator gives each student the best possible combination of *gift aid* (scholarship and grant

monies which do not have to be repaid) and *self-help* (loans and work study programs) monies to meet the student's aid. These monies may be from federal and state (and, in the case of some public and private schools, campus) sources.

Students are typically given a timeframe in which to respond to any or all of each school's offers. Colleges and universities try to mail their award letters in a timely fashion, so that families can consider actual cost of attendance before students have to choose their college.

The best contact each family has while applying for financial aid is the financial aid officer at each college in which a student is interested.