

UNDERSTANDING THE AID FORM

Want your share of financial aid? Get acquainted with the FAFSA

BY KRISTIN DAVIS

Few people understand the ins and outs of the Free Application for Federal Student Aid, or FAFSA, as well as Kay Jacks, the Department of Education's general manager of application, school eligibility, and delivery services. Jacks has also been a financial aid administrator at four different colleges and universities. U.S. News talked with her recently to find out what students and their families need to know about applying for financial aid:



Dept. of Education's Kay Jacks

Who should file the FAFSA?

Any student who is interested in having someone assist them in paying for their education really needs to file that form. For the year 2003-04, we had 13.1 million filers; of those, about 72 percent filed electronically.

What's the advantage of filing online?

We're going to do the math for you. We're also going to tell you if there's something about the application that is inconsistent. So we're improving the accuracy of that application.

Let's talk about deadlines.

We, the federal government, don't have one. A student can apply [after the fact], and we'll process it retroactively. However, many institutions have a March 1 filing deadline. It's not a bottomless pit. Once the restricted funds have been spent, there won't be any more money for that year. So students who apply later or have errors that have to be resolved run the risk of losing out.

What confuses people about the forms?

One of the biggest things has been taxes paid. Students and families often put down taxes *withheld*. That is a big one. Another thing that confuses students is the question about household size. It's a very specific question about people who've lived in the household for more than 50 percent of the time in the previous year. But the term "household size" has a lot of different meanings, like square footage. It's a two-digit field, and they try to put in square footage.

What is the EFC?

It's the expected family contribution. This is what this family should be able to

contribute to pay for college wherever you're going to go. It is a number that is often misunderstood. When I worked on a campus, it wasn't unusual for families to write a check for that amount, to think that somehow that was a bill. That's not what it is.

So how do you get the EFC from the numbers families enter on the FAFSA?

Crunch, crunch, crunch. There's a formula. We're trying to look at the family and look at what's available to them as a household. The formula has an offset for cost of living, for taxes, for retirement based on the age of the chief income earner. These are the things that are nondiscretionary. The formula then says, "What's left?" Of what's left, what is reasonable to contribute in one year to pay for college?

There are people who

look at the EFC and say, "That's not reasonable! I can't afford \$15,000," or whatever it is.

You're not going to get rich on student aid. It's what's reasonable for a family of four, or whatever, [after they pay] for housing and living expenses. The difficulty is that it's not adjusted in any way for cost of living in various states. If [families] come from a place where it's expensive to live, they want that to be more of a factor. Depending on the cost of the school, even a \$15,000 EFC will qualify for something. More often, that family is going to qualify for loans.

What is the Student Aid Report?

It's a report that feeds back to the family what they gave to us. And it gives you information about what to do next. It's where the EFC is. One of our projects is to make it much more user-friendly. The first thing a family needs to do is look at that document very carefully and see if it is accurate. Is there an extra zero that got put in there? Or, have you subsequently filed your taxes and there's a different set of information?

What percentage of families are asked to verify the numbers they supply by providing copies of tax forms, for instance?

We select greater than 30 percent of fil-

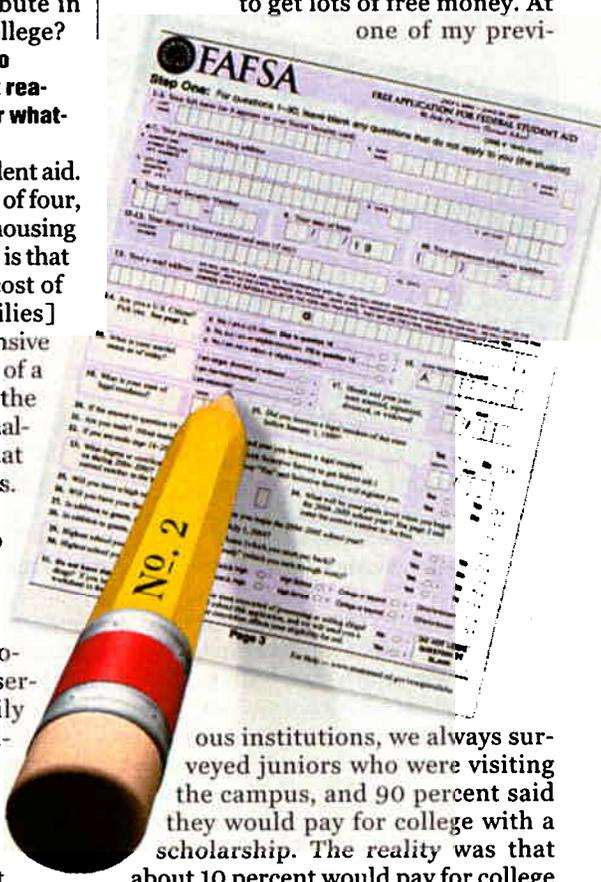
ers for verification. But we know anecdotally that a lot of schools do 100 percent verification. And then others have their own criteria. They might check all incomes above *x*. Or anyone who estimated their income. Or anyone whose taxes paid seems odd.

OK, you have the EFC. What's next?

The school will put together a package of aid. And they do that by taking how much it costs to go to that school, subtracting the EFC, and from that they'll determine how much aid the student is going to receive. Typically, they'll start with a Pell Grant and state and federal grants. Then they give loans and/or work-study next.

Are there any other misconceptions about aid?

I think families are of two minds. Either [they think] they won't qualify for anything, so why bother? Or they're going to get lots of free money. At one of my previ-



ous institutions, we always surveyed juniors who were visiting the campus, and 90 percent said they would pay for college with a scholarship. The reality was that about 10 percent would pay for college with a scholarship.

Any final advice?

I always say, apply early, apply often. But I don't really mean that. Don't apply often. But don't count yourself out. ●