

# Q and A's from the High School Counselor Financial Aid Webcast October 28, 2011

## Federal Update

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- Would you please clarify what tax year the family should be filing for the FAFSA? We've been telling our current seniors that they needed their 2010 taxes.
- I heard that with the incorporation of the seamless IRS Data Retrieval tool that parents and students cannot use estimated tax information. Is this true, or are we able to use 2010 tax information to estimate until 2011 taxes are filed?
- What if the parent hasn't filed taxes for the prior year (or more)? What if they do not file taxes even if they are legally required to file? Do those students qualify for aid?
- Why should a student file the FAFSA if they know they will not qualify for financial aid?
- How are the 529's reported on the FAFSA?
- How can students who may have undocumented parents complete the FAFSA?
- If a foster child qualifies as an independent student (for FAFSA purposes), but is then subsequently adopted or back with a parent, do they retain their independent status?
- Please clarify whether a senior who is classified as an "unaccompanied youth" regardless of the reason, can claim independent status.
- Please define "assets" on the FAFSA.
- How do you determine if a student should report their income from work study and summer employment? Is there a minimum amount required? If so, how much is required?
- What is the CSS PROFILE and who should complete it?
- Eastern Michigan University announced that they will fill any unmet need for Pell-eligible students. Are any other colleges in Michigan offering to do the same?
- Last year the FAFSA on the Web had technical glitches. I had several students who were unable to go back to retrieve their information for scholarships. There was much delay in obtaining paper copies of FAFSA/SAR. I hope that won't happen again this year.
- If the family has more than one student filing a FAFSA, does it matter which student's data is entered first?
- If a student attends a college for a year or two and then takes a year off for various reasons before returning to college, are they able to delay payments from starting, and how do they do that?
- Can a student receive financial aid as a guest student?
- Some students apparently filled out the FAFSA wrong last year because they answered "Yes" to the question asking if their parents are their legal guardian. How should the student answer this question? Isn't the parent the student's legal guardian?
- Is there a "length of time" requirement in the foster care system for the student to qualify for independent status?
- My question pertains to incarcerated students and students who are determined as a Ward of the Court. What is the difference between the two designations?

## State Programs

- Are there any programs for the average or middle to lower middle class students who want to attend college? Many of them desperately want to attend college, but cannot afford it.
- RE: Tuition Incentive Program (TIP) - Is there a cap on the amount of cost that can be charged per credit hour?

- Would Michigan Rehabilitative Services (MRS) award be applied before or after the TIP award?
- In regard to incarcerated students no longer eligible to receive TIP funds, what constitutes “incarcerated?” Does this include being incarcerated ever in a lifetime?
- I have students who qualify for TIP from the past but are now in good financial standing. Do they still get TIP funds?
- A student moved to Michigan in their sophomore year and met Medicaid qualifications from earlier years in Oregon. Does the fact that Medicaid was received in Oregon, not Michigan, affect eligibility? What verification does the counselor need to help the student register for TIP funds?
- RE: Michigan Competitive Scholarship (MCS) - You said you’d send a list of students who qualified for the MCS but you still need their SSN in order to match their data. You said that we need to watch for a letter and the list of qualifiers. To whom will you send the letter and the list?
- RE: MCS - If a student takes the ACT multiple times, is the calculation for the 90 minimum score based on the highest scores of each test or one of the single tests?
- RE: Michigan Tuition Grant (MTG) – what is an independent non-profit institution? What are some examples? Next year, could this be added to the slide show? Or, could you refer to the state website where this information is shown?
- RE: Children of Veteran’s Tuition Grant (CVTG) – What documents do a student and parent need to show to be eligible for the CVTG?
- Could you elaborate on the GEAR UP Grant? What is it? Who qualifies?

## **Foster Youth in Transition**

- Education Training Voucher (ETV) – Like TIP, is there a way for high school counselors to get a list of eligible students?

## **Michigan Education Trust (MET)**

- For families with very young children, you said, they should not purchase a MET contract until that child is a minimum of three years old, otherwise they will not be able to use the funds purchased due to the 15 year stipulation? Do the funds need to be used within 15 years or do students need to start using the funds within 15 years?
- We have had parents ask, “If we have the MET prepaid plan and our student goes to a private college, can the MET be used toward graduate school later?”
- If you have MET and have graduated, can the excess funds be donated to foster care students?
- When is the next enrollment period for MET?

## **College Goal Sunday / FAFSA**

- Can you clarify why a school should encourage 100% participation for seniors to complete the FAFSA? Not all of our students will be attending college next year and it seems to be senseless to flood the system with unnecessary data for the spirit of attaining 100%.

## **Michigan College Access Network (MCAN)**

- Are there still community grants available to start up a Local College Access Network (LCAN)?
- What is a Promise Zone?

## Federal Update

**Q. Last year the FAFSA on the Web Worksheet was not available until very late in the year. When will it be available this year? Is there any chance it could be placed on the website earlier so that we can use it for local financial aid workshops?**

A. A draft is up now (October). It is a Federal government document. Check their website at [www.fafsa.gov](http://www.fafsa.gov) or call 800-433-3243 (800-4-FED-AID).

**Q. Would you please clarify what tax year the family should be filing for the FAFSA? We've been telling our current seniors that they need their 2010 taxes.**

A. Base year for 2011 – 2012 filing the FAFSA: use 2010 tax data.  
Base year for 2012 – 2013 filing the FAFSA: use 2011 tax data.

**Q. I heard that with the incorporation of the seamless IRS Data Retrieval tool that parents and students cannot use estimated tax information. Is this true, or are we able to use 2010 tax information to estimate until 2011 taxes are filed?**

A. Providing estimated tax information is still acceptable, but when taxes are filed, the tax data on the FAFSA needs to be updated. It is still better to estimate the 2011 tax information than to use the 2010 tax information. However, providing the 2010 tax information is better than nothing at all.

**Q. What if the parent hasn't filed taxes for the prior year (or more)? What if they do not file taxes even if they are legally required to file? Do those students qualify for aid?**

A. Unfortunately, if the student's FAFSA is selected for verification, it is most likely the student will not be awarded financial aid.

**Q. Why should a student file the FAFSA if they know they will not qualify for financial aid?**

A. Even if a family/student thinks they won't qualify for student aid, they won't know for sure until they file and get the Estimated Family Contribution (EFC) and their Student Aid Report (SAR) from the Federal Processor. Students must file the FAFSA to request federal student loan monies – subsidized or unsubsidized.

**Q. How are the 529's reported on the FAFSA?**

A. 529 Plans are considered a parent asset.

FAFSA Notes for questions 41 and 42 and 89 and 90 are found on page 2 of the paper FAFSA. (A PDF version of the paper FAFSA can be found at <http://www.fafsa.ed.gov/options.htm>.)

“For a student who does not report parental information, the accounts owned by the student (and/or the student's spouse) are reported as student investments in question 41. For a student who must report parental information, the accounts are reported as parental investments in question 89, including all accounts owned by the student and all accounts owned by the parents for any member of the household.”

**Q. How can students who may have undocumented parents complete the FAFSA?**

A. If the parent does not have a Social Security Number (SSN), enter all zeros for the parent's SSN on the FAFSA.

**Q. If a foster child qualifies as an independent student (for FAFSA purposes), but is then subsequently adopted or back with a parent, do they retain their independent status?**

A. A student is considered to be independent if they are either a ward of the court now or were a ward of the court at any time since they turned age 13, even if they no longer are a ward of the court today. If their ward of the court status ended before they reached age 13, they may be considered dependent on their parent. In that case, the student should talk with the financial aid administrator at the college where they are enrolled. The student's foster care case worker will be able to provide documentation of the student's status for the student to present to the financial aid administrator.

**Q. Please clarify whether a senior who is classified as an “unaccompanied youth” regardless of the reason, can claim independent status.**

A. The financial aid administrator may require the student to provide a copy of the determination or other documentation of the student's status. See FAFSA Notes for questions 55-57 can be found on page 9 of the paper FAFSA. (A PDF version of the paper FAFSA can be found at <http://www.fafsa.ed.gov/options.htm>.)

“Unaccompanied” means the student is not living in the physical custody of a parent or guardian. “Homeless” means lacking fixed, regular, and adequate housing, including living in shelters, motels, cars, and temporarily with other people because they have nowhere else to go.

<p><b>Q. Please define “assets” on the FAFSA.</b></p> <p>A. See FAFSA Notes for questions 41 and 42 and 89 and 90 on page 2 of the paper FAFSA for a full list of items considered assets and items that are not considered assets. (A PDF version of the paper FAFSA can be found at <a href="http://www.fafsa.ed.gov/options.htm">http://www.fafsa.ed.gov/options.htm</a>.) Examples of assets: cash; an investment farm; a second residence; a business including over 100 employees. Examples of items that are not considered assets: primary residence; retirement plans; cash, savings and checking accounts already reported in questions 40 and 88.</p>
<p><b>Q. How do you determine if a student should report their income from Work Study and summer employment? Is there a minimum amount required? If so, how much is required?</b></p> <p>A. Income is reported for the base year. College Work Study is then “excluded” further on in the FAFSA, so it is not double-counted.</p>
<p><b>Q. What is the CSS PROFILE and who should complete it?</b></p> <p>A. The College Scholarship Service (CSS) PROFILE, a product of the College Board, is an online application that collects information used by certain colleges and scholarship programs to award institutional aid funds. Institutions that require the additional information will inform the student/family that they need to complete the CSS PROFILE. Currently, 9 Michigan institutions require the additional financial information. The institution should inform the student of the deadline date for submitting the CSS PROFILE, but if not, contact the financial aid office for the deadline date. Also, ask if there is a filing fee. For additional information: <a href="https://profileonline.collegeboard.org">https://profileonline.collegeboard.org</a>.</p>
<p><b>Q. Eastern Michigan University announced that they will fill any unmet need for Pell-eligible students. Are any other colleges in Michigan offering to do the same?</b></p> <p>A. Unknown; each institution will decide. Suggest to the student to contact the financial aid office.</p>
<p><b>Q. Last year the FAFSA on the Web had technical glitches. I had several students who were unable to go back to retrieve their information for scholarships. There was much delay in obtaining paper copies of FAFSA/SAR. I hope that won’t happen again this year.</b></p> <p>A. Questions that pertain to federal processing “glitches” or issues need to be addressed by the federal government. The federal student aid call center can be contacted at 1-800-4-FED-AID (1-800-433-3243).</p>
<p><b>Q. If the family has more than one student filing a FAFSA, does it matter which student’s data is entered first?</b></p> <p>A. No</p>
<p><b>Q. If a student attends a college for a year or two and then takes a year off for various reasons before returning to college, are they able to delay payments from starting, and how do they do that?</b></p> <p>A. If a student has loans and they need to stop-out or drop-out of college, recommend to them to contact the student financial aid office of the institution where they were enrolled and ask for assistance with contacting the U.S. Department of Education, federal student aid office for gaining forbearance regarding loan repayment. If the student has taken out an alternative loan they will need to contact the lending institution for that loan. For more information go to <a href="http://federalstudentaid.ed.gov/federalaidfirst">http://federalstudentaid.ed.gov/federalaidfirst</a>.</p>
<p><b>Q. Can a student receive financial aid as a guest student?</b></p> <p>A. Generally no, as the student needs to be enrolled in a degree or certificate program. Instruct the student to contact the financial aid office for further information.</p>
<p><b>Q. Some students apparently filled out the FAFSA wrong last year because they answered “Yes” to the question asking if their parents are their legal guardian. How should the student answer this question? Isn’t the parent the student’s legal guardian?</b></p> <p>A. No, the parent is not the legal guardian. If it were so, then every student with parents would be independent. The student should answer “No” unless they have court papers that state a person has been appointed the student’s legal guardian. Dependent students reside with their biological or adoptive parent(s).</p>
<p><b>Q. Is there a “length of time” requirement in the foster care system for the student to qualify for independent status?</b></p> <p>A. A student may qualify for independent status any time after age 13.</p>
<p><b>Q. My question pertains to incarcerated students and students who are determined as a Ward of the Court. What is the difference between the two designations?</b></p> <p>A. Ward of the State / Court Ward Status – the difference between State and Court Wards is if the parental rights are terminated or not.</p>

## State Programs

**Q. Are there any programs for the average or middle to lower middle class students who want to attend college? Many of them desperately want to attend college, but cannot afford it.**

A. In general, all financial aid – state and federal - starts with filing the FAFSA. A student needs to complete and submit the FAFSA to find out their eligibility to receive financial aid. Recommend to the student to contact the institutions they are interested in attending and ask what scholarships/grants the individual institution has available. Also, recommend to the student that they conduct an online scholarship search. The student might learn that they are eligible to receive a Work Study award or they could look for part-time employment on their own. It would be in the student's best interest to get assistance with conducting a college search and get assistance with understanding the costs associated with attending college.

**Q. RE: Tuition Incentive Program (TIP) - Is there a cap on the amount of cost that can be charged per credit hour?**

A. There is no cap, although the Michigan Department of Treasury (Treasury) does have the ability to reject billings that are excessive or outside the guidelines for the type of educational institution. This is dictated by the legislative language which reads in part: "For persons enrolled at a Michigan community college, Treasury shall pay the current in-district tuition and mandatory fees. For persons residing in an area that is not included in any community college district, the out-of-district tuition rate may be authorized. For persons enrolled at a Michigan public university, Treasury shall pay lower division resident tuition and mandatory fees for the current year. For persons enrolled at a Michigan independent nonprofit degree-granting college or university, or a Michigan federal tribally controlled community college, or Focus: HOPE, Treasury shall pay mandatory fees for the current year and a per-credit payment that does not exceed the average community college in-district per-credit tuition rate as reported on August 1, for the immediately preceding academic year." The average community college rate for this year is \$84 per credit hour. Students with higher tuition costs do get a larger payment because their cost of attendance (COA) is higher.

**Q. Would Michigan Rehabilitative Services (MRS) award be applied before or after the TIP award?**

A. TIP funds are used for tuition only. MRS funds can be used to meet other expenses such as room, board, books, etc.

**Q. In regard to incarcerated students no longer eligible to receive TIP funds, what constitutes "incarcerated?" Does this include being incarcerated ever in a lifetime?**

A. Incarceration means – students who are currently incarcerated, which in that case, they are no longer eligible to receive TIP funds.

**Q. I have students who qualify for TIP from the past, but are now in good financial standing. Do they still get TIP funds?**

A. Once a student qualifies by returning their application, the student is eligible. This program is not based on need. It is based only on having received Medicaid. The student must enroll within 4 years of high school graduation and all benefits must be used within 10 years. We (OSG) tell people that even if you win the lottery you are still eligible to receive your TIP funds.

**Q. A student moved to Michigan in their sophomore year and met Medicaid qualifications from earlier years in Oregon. Does the fact that Medicaid was received in Oregon, not Michigan, affect eligibility? What verification does the counselor need to help the student register for TIP funds?**

A. Only Michigan Medicaid counts toward eligibility to receive TIP funds.

**Q. RE: Michigan Competitive Scholarship (MCS) - You said you'd send a list of students who qualified for the MCS, but you still need their SSN in order to match their data. You said that we need to watch for a letter and the list of qualifiers. To whom will you send the letter and the list?**

A. The letter and the list will be sent to the school counselor and the principal will receive a copy of the letter.

**Q. RE: MCS - If a student takes the ACT multiple times, is the calculation for the 90 minimum score based on the highest scores of each test or one of the single tests?**

A. 90 is the sum of the four scores for the Reading, Writing, Math and Science sections. The student can take the ACT multiple times. The Office of Scholarships and Grants will use the highest score submitted for a single test.

**Q. RE: Michigan Tuition Grant (MTG) – What is an independent non-profit institution? What are some examples? Next year, could this be added to the slide show? Or, could you refer to the state website where this information is shown?**

A. Another term for an independent non-profit institution is a private college/university. These are Michigan higher education institutions that do not receive state funding for operating the institution. These institutions are primarily supported by tuition and fees. For a complete listing of these institutions, and all Michigan public and private higher education institutions, go to [www.michigan.gov/studentaid](http://www.michigan.gov/studentaid) and click on Michigan Postsecondary Handbook under Quick Links.

**Q. RE: Children of Veteran’s Tuition Grant (CVTG) – What documents do students and parents need to provide to be eligible for the CVTG?**

A. They need to complete the CVTG application; birth certificate; death certificate, or disability determination from the Veteran’s Administration.

**Q. Could you elaborate on the GEAR UP Grant? What is it? Who qualifies?**

A. GEAR UP (Gaining Early Awareness and Readiness for Undergraduate Programs) is a federally-funded program designed to give more low-income students the skills, encouragement, and preparation needed to pursue postsecondary education and to strengthen academic programs and student services at participating schools. Participating middle schools and high schools meet the criterion for percent recipients eligible for free and reduced school lunch. In Michigan, the grant program administration is coordinated within the Michigan Workforce Development Agency (WDA). The scholarship funds are administered by OSG. Program fact sheets describing all Michigan student financial aid programs administered by the Office of Scholarships and Grants can be found on the Paying for College website [www.michigan.gov/osg](http://www.michigan.gov/osg). Click on OSG programs.

## Foster Youth in Transition

**Q. RE: Education Training Voucher (ETV) – Like TIP, is there a way for high school counselors to get a list of eligible students?**

A. To verify eligibility for the ETV Program, anyone can contact the ETV office and provide the student’s name (first and last) and date of birth. The ETV office will then verify with the DHS if the student is eligible. For eligibility verification, high school counselors can also send an email list of students, including date of birth, to the ETV office, attention Jennifer Maurer at [jmaur@lssm.org](mailto:jmaur@lssm.org). You may also visit [www.mietv.lssm.org](http://www.mietv.lssm.org) or call 877-660-6388.

## Michigan Education Trust (MET)

**Q. For families with very young children, you said, they should not purchase a MET contract until that child is a minimum of three years old, otherwise they will not be able to use the funds purchased due to the 15 year stipulation? Do the funds need to be used within 15 years or do students need to start using the funds within 15 years?**

A. The 15 year timeframe to use MET benefits begins in the actual year that we expect the student to attend college. So, if you have a newborn child today, we expect that child to attend college in 2029 and he/she will have 15 years from 2029 to use all of the credit hours or receive a refund.

**Q. We have had parents ask, “if we have the MET prepaid plan and our student goes to a private college, can the MET be used toward graduate school later?”**

A. MET funds can be used at Michigan private colleges, out-of-state colleges or refunded if the student does not go to college. If all the funds are not used at a Michigan public university for an undergraduate degree, left over credit hours can be used toward graduate school. MET will pay for the remaining credit hours at the undergraduate tuition rate and the student will pay the difference between the undergraduate rate and the graduate rate.

**Q. If you have MET and have graduated, can the excess funds be donated to foster care students?**

A. No. Remaining credit hours can be transferred to an immediate family member. Pursuant to Section 529 of the Internal Revenue Code, the definition of immediate family member includes the Beneficiary’s parent, brother, sister, child, and first cousin. The student can also use the remaining credit hours towards graduate school.

**Q. When is the next enrollment period for MET?**

A. The MET Board of Directors will meet on December 1, 2011, to set the enrollment dates. We will propose enrollment dates of December 15, 2011, through August 31, 2012. Once the MET Board adopts enrollment dates we will post them to the MET website at [www.setwithmet.com](http://www.setwithmet.com).

## College Goal Sunday / FAFSA

**Q. Can you clarify why a school should encourage 100% participation for seniors to complete the FAFSA? Not all of our students will be attending college next year and it seems to be senseless to flood the system with unnecessary data for the spirit of attaining 100%.**

A. Many students may not expect to attend this year, but what we have found is that many students who do not expect to go to college decide to go when they find out there is student financial aid actually available for them. Even if they do not enroll at a postsecondary institution at least they will have the most important form completed. It costs nothing and does not have to be used, but it is there if they decide to attend at the last minute. Having been at a community college as director of financial aid, I saw a large number of students who waited until the last minute and had problems with trying to pay for college.

## Michigan College Access Network (MCAN)

**Q. Are there still community grants available to start up an Local College Access Network (LCAN)?**

A. Yes, the next round of grants will be available after January 1, 2012, with an application deadline of March 2, 2012.

**Q. What is a Promise Zone?**

A. The Promise Zone initiative seeks to replicate, in some fashion, the Kalamazoo Promise Zone in other cities. The communities, mostly distressed urban areas, are creating Promise Zones, with the goal of promising all high school graduates living within the school district boundaries financial support to attend college. The creation of promise zones depends on community partnerships and successful fund-raising campaigns to get the programs started. Ultimately, these programs will rely on a funding stream through tax increment financing. Each community develops its own promise. Central to the Promise Zone concept is the universality of the commitment to all students, rather than narrowing it through restrictions based on finances, grade point or other factions. The costs are substantially less than one might think, because the Promise Zone provides resources only after other financial aid, such as federal Pell Grants and Tuition Incentive Program grants, are exhausted. Because of the high poverty in the promise zone communities, many students are eligible for hefty Pell grants. Promise zones empower more students to go to college. Those who are less prepared need more assistance from the institutions they attend. Visit [www.promisezones.org](http://www.promisezones.org) for more information.