



THE INS & OUTS
OF COLLEGE
ADMISSIONS

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As I write this column, I am extremely busy scrambling around to the homes of high school seniors, all of whom are feeling the

pressure of completing their college applications and the accompanying essays. Many of them are trying to meet the deadline of Nov. 1, which the majority of schools use as the cut-off date for Early Action submissions. Another important date in the college admissions cycle is looming more closely, though. For the first time, the federal government is making the FAFSA (Free Application for Federal Student Aid) available Oct. 1. Previously, the FAFSA did not open to high school seniors and their families until Jan. 1. By moving the starting line up by three months, the game has changed.

For the uninitiated, allow me to briefly explain the role of the FAFSA. This online tool (see fafsa.ed.gov) is used and required by nearly every college and university to determine an applicant's financial aid package. By completing and submitting it to colleges, students (and families) make themselves eligible for financial aid, which may be offered in the form of grants/scholarships, loans and/or student employment. After the FAFSA is completed, a family will receive an EFC (Expected Family Contribution), which is the amount the formula determines a family can afford annually for college costs. Colleges then take your EFC and compare it to their "sticker price" for total Cost of Attendance (COA). Any difference between the EFC and the COA is known as your financial need, and most colleges will attempt to construct a financial aid package that makes up some or all of the difference between the two. Of course, colleges are under no obligation to offer you a financial aid package, no less one that meets your total need. But without submitting the FAFSA, a

Financial Aid? Mark Oct. 1 on Your Calendar

family runs the risk of implying that paying "full freight" is no problem. Who in their right mind would want to do that? I work with many families in our area who initially tell me that they are not going to bother submitting the FAFSA because they are sure they will not qualify for need-based aid. I especially hear this from families whose EFCs are higher than most schools' COAs. This thinking is a mistake, though. If I were at Bill and Melinda Gates' dining room table, I would advise them to fill out the FAFSA. Completing the FAFSA is, at minimum, a "win-neutral" proposition, meaning that a family can only receive some aid or no aid, but not be penalized by owing more than the COA.

It should be understood that the FAFSA only qualifies families for need-based aid. Many colleges and universities also offer merit-based aid, which can be determined by a student's GPA, standardized test scores, extraordinary talents (leadership, athletics, music, etc.) and a host of other criteria. In theory, a college can offer merit-based aid without the submission of the FAFSA, and a good many schools (especially private ones) do. Nevertheless, please keep in mind that the financial aid resources at any school are a finite quantity, and a school may be more likely to save its merit-based aid for those who submit the FAFSA, rather than for those families who ignore doing the FAFSA, thus seemingly sending a signal that financial aid is not necessary.

Let us return to the significance of the FAFSA's new Oct. 1 starting date. When the FAFSA did not become available online until Jan. 1, a family was required to use its previous year's (PY) tax data to complete it. This meant that for those students who started college a few weeks ago, their families had to use 2015 tax year data. But who has their taxes done (or even received their W-2s) by Jan. 1??? (Answer: Nobody) To make things worse, many colleges had set their financial aid priority deadlines as early as Feb. 1 or Feb. 15, and most folks do not have their previous year's tax returns completed by then, either. The solution to this "rock-and-a-hard-place" dilemma – move FAFSA's opening day to Oct. 1 AND allow families to use their previous-previous year's (PPY) tax infor-

mation. In other words, for current high school seniors who will not begin college until fall 2017, your families can begin completing the FAFSA on Oct. 1 and use their 2015 tax information as its basis.

Starting the financial aid "hunting season" on Oct. 1 and allowing PPY (i.e., 2015) tax data are crucial changes that should work in the benefit of families. Now, you no longer are forced to estimate the numbers you enter on the FAFSA based on your projected tax numbers. In fact, the FAFSA will prompt you to use the IRS Data Retrieval Tool, linking to your 2015 federal tax return and then populating many of the FAFSA's fields. Because the FAFSA opens earlier, colleges and universities, too, are moving up their priority deadlines for financial aid applications. (For example, I am looking at Butler University's website at this moment, and their recommended FAFSA submission date is by Dec. 1.) With the FAFSA and colleges' priority deadlines moving earlier in the calendar, families should receive their financial aid packages sooner, thus allowing more time to contemplate the offers before students have to make their ultimate school choice by the National Candidate Decision Date of May 1.

My advice ... get going on the FAFSA sooner rather than later. As they say, the early bird catches the worm. Both the student and one of the parents will need to acquire an FSA (Federal Student Aid) ID in order to sign the FAFSA electronically. (See fsaid.ed.gov) Once you have your IDs, go to fafsa.ed.gov and get started. If you have all your tax documents, bank and mutual fund statements, etc., organized and gathered together, the FAFSA can be completed in 60 to 90 minutes. Your "hourly pay" for doing so may be in the thousands.

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