

# FINANCIAL AID QUARTERLY

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## TIPS FOR FINANCIAL SUCCESS

**October 19th, 2011**

**6:00-8:00 p.m.**

**Corwin Pavilion, UCSB**

**RSVP at:**  
[ucsb.imodules.com/financialtips11](http://ucsb.imodules.com/financialtips11)

**FREE** Pizza and Refreshments

This Event is Sponsored by:  
UCSB Alumni Association and the  
Office of Financial Aid and Scholarships  
See page 8 for more information.

## LETTER FROM THE DIRECTOR

October 10, 2011

On behalf of the Office of Financial Aid and Scholarships, I would like to welcome our new freshmen and transfer students and say welcome back to all of our continuing students. I hope you will find the Fall 2011 Financial Aid Quarterly (FAQ) useful as we look ahead to an eventful 2011-2012 academic year.

The financial aid industry continues to evolve as we gear up to embrace more changes at the federal, state and university levels. I strongly encourage you to take some time to review the FAQ because there are several new regulations that will impact UCSB students, both undergraduate and graduate.

We would also like to make you aware of a great opportunity coming up on October 19. In an effort to get students thinking about their financial future and making sound financial decisions, the Office of Financial Aid and Scholarships is teaming with the Alumni Association to offer "Tips for Financial Success." You can find more information on this event and RSVP at: [ucsb.imodules.com/financialtips11](http://ucsb.imodules.com/financialtips11).

There are a couple of additional reminders I would like to bring to your attention as we enter a new year. First, all Cal Grant and Pell Grant recipients should make sure they are in a minimum of 12 units at census date. Failure to do so will result in a charge to your BARC account. This has been a long standing policy for the Pell Grant program, but this treatment for Cal Grant A and B funds is new for 2011-2012 (see page 3 for more details).

We would also like to remind all financial aid applicants that the 2012-2013 FAFSA will be available January 1, 2012. Please plan ahead and be sure you complete your FAFSA prior to the March 2 priority deadline. We all know how quickly time passes and with the holiday season approaching, it is a good idea to start planning the renewal of your financial aid now.

The Office of Financial Aid and Scholarships looks forward to working with you as you strive to become UCSB graduates. Please remember that all of our communication to you will come in the form of email or web bulletins. With the cost of higher education increasing, it is more important than ever to pay special attention to the correspondence you receive from our office. Please check your email on a regular basis and make a habit of visiting our new and improved website at [www.finaid.ucsb.edu](http://www.finaid.ucsb.edu).

We sincerely wish you a successful and exciting year. If we can be of any assistance, please come see us. If you have any concerns or commendations you would like to pass along to me directly, I encourage you to email me at [FinAidDirector@sa.ucsb.edu](mailto:FinAidDirector@sa.ucsb.edu).

Warmest Regards,



Michael M. Miller  
Director, Office of Financial Aid and Scholarships

## Debt Ceiling Law Provides \$17 Billion for Pell and Ends Grad Student Loan Interest Subsidy

Publication Date: August 2, 2011

After months of intense deficit reduction negotiations, both chambers of Congress passed and President Obama signed into law the Budget Control Act of 2011 just hours before the U.S defaulted onto its debt.

# impact

## on Student Aid Funding

### Pell Grants

While many programs faced cuts in this bill, the Pell Grant programs was provided with additional mandatory funding for FY 2012 and 2013. Specifically, the package provides an additional \$10 billion in mandatory funds for Pell in FY 2012 and \$7 billion for FY 2013, amounts that should come close to preserving a \$5,550 maximum award. When the President released his budget in February, Pell faced a projected \$20 billion shortfall for FY 2012. The elimination of the Year-Round Pell Grant in the final FY 2011 budget bill reduced this shortfall to \$11 billion. Even with the additional mandatory funding provided in the debt reduction package, Pell will still face a \$1.3 billion dollar shortfall for FY 2012.

### Interest Subsidy for Graduate Students

The Budget Control Act also eliminates the in-school interest subsidy for graduate and professional students beginning July 1, 2012, a provision that would save \$18.1 billion from FY 2012-21, \$8.2 billion of which is from FY 2012-16, according to the Congressional Budget Office (CBO). The legislative language clarifies that the subsidy elimination does not apply to students taking preparatory coursework and those in programs leading to teacher certification where the credential is awarded by the state instead of the institution.

### Direct Loan Repayment Incentives

Repayment incentives were also eliminated in the final package. The incentive for using automatic debit repayment provided borrowers with a 0.25 interest rate reduction and the up-front interest rebate incentive was equal to 0.5 percent of the loan amount and applied toward the 1 percent loan origination fee. For PLUS loans, the up-front interest rebate was 1.5 percent applied toward the 4 percent origination fee. Borrowers were able to keep the rebate if they made their first 12 payments on time. The language prohibits the Department of Education from authorizing or providing repayment incentives on new loans disbursed on or after July 1, 2012, except that an interest rate reduction may be provided to a borrower who agrees to automatically debited electronic payments. The CBO projects the elimination of the origination fee rebates would yield \$3.6 billion from FY 2012-21.

(Excerpt from: [www.nasfaa.org](http://www.nasfaa.org).)



### Changes to Cal Grant Requirements

The 2011-2012 school year has brought two major changes to the Cal Grant Program. The grant is now prorated in the exact same way as the Pell Grant for students enrolled in less than 12 units at census date every quarter.

Census date occurs one day after the last day to add classes on GOLD; typically this is the 15th day of class. For fall 2011, census date recently passed on October 13. If you were enrolled in less than 12 units on the census date, your Cal Grant will be reduced accordingly, which may result in a charge on your BARC account.

- Full-time award (12 units):** \$4064 per quarter (nothing billed back)
- 3/4-time award (9-11 units):** \$3048 per quarter (\$1016 reduction)
- 1/2-time award (6-8 units):** \$2032 per quarter (\$2032 reduction)

Students must also meet published campus academic standards. Additional information regarding those standards can be found in the 2011-2012 General Catalog ([www.my.sa.ucsb.edu/catalog/current/index.aspx](http://www.my.sa.ucsb.edu/catalog/current/index.aspx)).

The second change requires that Cal Grant recipients meet the program's Income and Asset ceilings each year that they apply. Previously students only needed to meet this requirement during their first year of eligibility. The following is an excerpt taken from the California Student Aid Commission's website ([www.csac.ca.gov](http://www.csac.ca.gov)) detailing the impacts of the State Senate Bill SB 70.

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 (Excerpt from: [www.csac.ca.gov/pubs/forms/grnt\\_frm/FAQs\\_for\\_Students.pdf](http://www.csac.ca.gov/pubs/forms/grnt_frm/FAQs_for_Students.pdf))  
 .....

### Senate Bill 70

The Legislature recently passed and the Governor signed on March 24, 2011 a number of budget-related bills to achieve savings in state spending, including Chapter 7 of the Statutes of 2011 (SB70), which implements changes in the Cal Grant Program among other things. Following are the initial questions from students related to this legislation.

**Q: I have received the Cal Grant in prior years and now I am disqualified. Why can't I renew my Cal Grant?**

**A:** A new California law redefines the way that a renewing recipient's financial need is determined. In order to renew a Cal Grant, renewing recipients must now meet the 2011-2012 Income and Asset Ceilings and minimum need criteria. After the California Student Aid Commission runs the renewal process in July 2011, the renewal status of your Cal Grant will be available.

(Continue on page 5 "Senate Bill 70")

## 2012-2013 Verification Changes

Every year the Office of Financial Aid and Scholarship's is tasked with verifying roughly 30% of the FAFSA applications submitted by students. In the past this has required many of our students and families to submit numerous forms and copies of tax returns to our office.

In 2010-2011 the Department of Education introduced the IRS Data Retrieval tool on the FAFSA. In 2011-2012 the Office of Financial Aid and Scholarships at UCSB initiated a process whereby students and families that used this option were allowed to forego submitting paper copies of their tax returns when selected for verification. The use of IRS retrieval was a great success, as it both eased the process of verification for students and limited the verification workload on the office.

In 2012-2013 the Department of Education will be further encouraging the use of the IRS Data Retrieval tool by requiring that those students selected for verification either use the IRS Data Retrieval option, or submit IRS Tax Transcripts. Paper copies of tax returns will no longer be an option, except under very limited circumstances. The following is an excerpt from the Department of Education detailing the change in requirements.

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(Excerpt from: [www.ifap.ed.gov/dpcletters/gen1113.html](http://www.ifap.ed.gov/dpcletters/gen1113.html))  
.....

### IRS Tax Return Transcript Required

Applicants selected for verification who retrieve and transfer their income tax return information using the IRS Data Retrieval Process—either when initially completing the FAFSA using FAFSA on the Web (FOTW) or through the corrections process of FOTW—will be considered to have verified the FAFSA IRS information (AGI, taxes paid, and any of the applicable untaxed income items). However, if changes were made to the transferred information or if the institution has reason to believe that the information transferred is inaccurate, the applicant must provide other acceptable documentation as included in the Federal Register notice.

- When the applicant (or parent) did not use the IRS Data Retrieval Process, either at initial FAFSA filing or through the FOTW correction process.
- When information included on the FAFSA using the IRS Data Retrieval Process was subsequently changed.
- When a married independent applicant and spouse filed separate tax returns.
- When the parents of a dependent student filed separate tax returns.

(Continue on page 5 "Tax Return")

2012-2013  
CHANGES

(Continued from page 3)

### ...Senate Bill 70

**Q: If I lose eligibility for the Cal Grant award in one year (e.g., when a sophomore), can I be re-evaluated for eligibility and regain the Cal Grant if I qualify in the following year (e.g., when a junior)? Can I just opt to take a leave from payment?**

**A:** Failing to meet the income or asset ceilings or minimum need for renewal of a Cal Grant will result in the withdrawal of your Cal Grant. If your Cal Grant is withdrawn for failure to meet the income or asset ceilings or minimum need, you may not take a leave of absence or leave from payment to avoid losing the award. However, if you have not exhausted your payment eligibility, you may reapply for a Cal Grant for the 2012-2013 academic year by submitting both a Cal Grant GPA Verification Form and a Free Application for Federal Student Aid (FAFSA) by the March 2, 2012 deadline.

**Q: I am currently receiving Cal Grant B payments. What happens if I don't meet the 2011-2012 income and asset ceilings for a Cal Grant B but do meet the income and asset ceilings for a Cal Grant A?**

**A:** If you have received Cal Grant B payments, your award cannot be changed to Cal Grant A and your Cal Grant B will be withdrawn. You may reapply for a Cal Grant for the 2012-2013 academic year by submitting both Cal Grant GPA Verification Form and a Free Application for Federal Student Aid (FAFSA) by the March 2, 2010 deadline.

(Source: [www.csac.ca.gov](http://www.csac.ca.gov))



### Satisfactory Academic Progress

#### Reminder—Effective 2011-2012

Satisfactory Academic Progress (SAP) standards have changed in accordance with Federal Regulations (24 CFR 668.34). All students who have completed a Free Application for Federal Student Aid (FAFSA) and wish to be considered for University, State and Federal Aid must meet the criteria stated in this new policy. More information can be found on the Office of Financial Aid and Scholarships website: [www.finaid.ucsb.edu/eligibility.aspx](http://www.finaid.ucsb.edu/eligibility.aspx).

Students should refer to their department's published academic standards. Additional information regarding those standards can be found in the 2011-2012 General Catalog.



(Continued from page 4)

### ...Tax Return

- When an applicant or applicant's parent had a change in marital status after the end of the tax year on December 31, 2011.
- When the applicant, or parent or spouse, as applicable, filed an amended tax return.
- While encouraged, IRS Tax Return Transcripts submitted to the institution for verification need not be signed by the tax filer.

We are confident that the changes to the verification process for the 2012-2013 award year will help to reduce burden on applicants, their families, and on institutions, while also maintaining the integrity of the Title IV federal student aid programs.

(Source: [www.ifap.ed.gov](http://www.ifap.ed.gov))



Financial Aid Quarterly is back and we are introducing the first iteration of The Work-Study XChange (WSX). The WSX's goal will be not only to bring you important Work-Study related program messages, but also to bring something new that we believe will help bring employers and students closer together. Our Employer Highlight Reel will give Work-Study students a window into the organizations that currently participate in the Federal Work-Study Program. Through spotlighting a Work-Study employer each quarter, we want to bring needed attention to how such an organization contributes to the surrounding community and draw student attention to the potential work experiences as offered by our participating organizations.

# WORK-STUDY XCHANGE

## Employer Highlight Reel: Cal-SOAP

Supported by the California Student Aid Commission, the California student Opportunity and Access Program (Cal-SOAP) has been around since 1978 with a focus on bridging the information gap between post-secondary education and financial aid resource opportunities to first generation college-bound students. Concurrently, Cal-SOAP's efforts include rising the achievement levels for low income, elementary and secondary schools students or geographic regions with documented low-eligibility or college participation rates. Cal-SOAP also provides services that range from advising, tutoring, parent outreach and college awareness workshops, peer mentoring, college admissions counseling, and SAT/ACT test preparation to name a few.

As part of a larger network project that services communities statewide, the Santa Barbara chapter of Cal-SOAP is organized by the Community Action Commission (CAC), a private non-profit social service organization that serves the needs of low-income residents. Every year Cal-SOAP, through CAC, hires several Work-Study students as tutors and for other various employment positions. Interested Work-Study recipients who would like to participate in Cal-SOAP should contact the Community Action Commission with inquiries by phone: (805) 730-7373 or visit their website at: [www.sbcalsoap.org](http://www.sbcalsoap.org) for information about the organization.

## Federal Work-Study Contact Information

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## Interesting Facts Cal-SOAP

Cal-SOAP's strength is its partnerships with all education segments, including:

- 126 public school districts;
- 9 of 10 general campuses of the University of California;
- 18 of the 23 campuses of the California State University;
- 42 of the state's 112 California Community Colleges;
- 16 campuses of the 77 Association of Independent California Colleges and Universities members; and
- 53 community-based organizations

More than  
**80%**  
of Cal-SOAP students  
attend college each year.

More than 77.1% of Cal-SOAP participants enrolled in a California public college or university after high school graduation in 2008 compared to the statewide rate of 47.1%. In addition, another 6.2% of Cal-SOAP students enrolled in independent, career or out-of-state institutions.

Excerpt from:  
[www.csac.ca.gov/pubs/forms/grnt\\_frm/salsoapfactsheet.pdf](http://www.csac.ca.gov/pubs/forms/grnt_frm/salsoapfactsheet.pdf)

# Reese's Pieces

## MISSION STATEMENT

The University of California, Santa Barbara Office of Financial Aid and Scholarships provides students with the financial resources and related services necessary to achieve their educational goals. We are committed to providing accurate, user-friendly, responsive, and respectful service to students and their families. We administer federal, state, and university aid and scholarship programs in accordance with applicable policies and regulations while striving to be an innovative and service-minded department.

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Dear Paula,

I don't have enough money to pay for tuition AND rent. I'm afraid I might have to leave school. HELP! What can I do?

P.S. — I've already maxed out my loans, so that's not an option.

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Dear Suzy,

There are a number of appeal forms available from our office, and several ways we can help. Let's go over some possible situations that may address your money issues.

**Is your grant aid limited because you submitted your FAFSA after the March 2 priority deadline?** If you missed the deadline you can complete an On-Time Appeal to mark your FAFSA as on-time and possibly qualify for more grant aid.

**Is there a change in your or your parents' financial situation?** For instance, did your parents get divorced, lose a job, or have unusually high medical expenses? You can complete the Request for Review, and our office may be able to base your financial aid on the adjusted information.

**Have your parents borrowed the recommended PLUS loan?** If so, and they were denied based on credit, you can complete the Request for Additional Unsubsidized loan. You may qualify for up to \$5000 in additional Direct Loans.

**Is your rent or another expense higher than the budgeted amount in our Cost of Attendance?** If so you can complete the Student Request for Budget Increase form to increase your maximum loan eligibility.

**Are you unable to obtain your parent's information on the FAFSA due to estrangement, or other extreme circumstances?** Provided you can document the situation, you may qualify for a Dependency Override Appeal. In serious situations (such as abuse, neglect, or abandonment) you may qualify as an independent student.

Forms are available on our website at: [www.finaid.ucsb.edu/Forms/FormsLogin.aspx](http://www.finaid.ucsb.edu/Forms/FormsLogin.aspx). These appeals can sometimes qualify students to receive additional financial aid. Suzy, before you consider dropping out of school, please visit our office and one of our staff members will be more than happy to advise you on the best course of action.

We hope you come in soon!



Paula Reese, Financial Aid Advisor

# I WANT TO LIVE WITH MY PARENTS FOR THE NEXT 30 YEARS.



SPENDING ALL YOUR MONEY ON CHEESEBURGERS, VIDEO GAMES, OR ANOTHER PAIR OF JEANS MIGHT SOUND LIKE A GOOD IDEA TODAY, BUT TOMORROW... NOT SO MUCH. ATTEND **TIPS FOR FINANCIAL SUCCESS** AND LEARN HOW TO MANAGE YOUR MONEY, PAY FOR COLLEGE, AND BUILD WEALTH.

Sponsored by: UCSB Alumni Association and the Office of Financial Aid and Scholarships

date	location	time	RSVP at <a href="http://ucsb.imodules.com/financialtips11">http://ucsb.imodules.com/financialtips11</a>
<b>10/19/11</b>	CORWIN PAVILION	6-8 PM	PIZZA AND REFRESHMENTS WILL BE PROVIDED