

This document was shared with the Budget Committee in May 2013. As this provides the most current comprehensive picture of financial aid at Lane it is being redistributed to the Finance and Budget Subcommittee in March 2014.

FINANCIAL AID, STUDENT LOAN BORROWING, AND STUDENT COST OF ATTENDANCE

May 29, 2013

FINANCIAL AID

Purpose of Financial Aid

Financial aid is designed to help bridge the gap between the cost of attending college and a student and/or family's ability to pay.

Lane students

Nearly 13,000 students receive student aid assistance annually at Lane, in the form of loans, grants, scholarships, and federal work-study.

2011 -2012 Financial Aid Recipients (12,877)

- Independent: 70%
- Dependent: 30%
- Live at home: 9%
- Live away: 91%

12,877 or 76% of credit students in aid-eligible programs received some form of student assistance in 2011-12.

This represents a dramatic increase from the 2008-09 academic year, in which 7,968 students received aid, comprising 60% of enrolled credit students in aid-eligible programs.

10,811, or 84%, received Pell Grants.

75% of Lane students who received Pell qualified for the maximum amount.

The percentage of Lane aid recipients qualifying for Pell was 68% in 2008-09, and among Pell recipients, 62% qualified for the maximum award. These increases in Pell eligibility indicate that Lane students have less income and therefore higher need than in earlier years.

More than 99.9% of financial aid applicants attending Lane demonstrate financial need.

In the 2011-12 award year, only 12 financial aid applicants who submitted all requirements during the application process did not have financial need

Types of aid available to meet need

Gift/grant Aid (money that does not have to be paid back)

- Pell Grant
- Oregon Opportunity Grant (OOG)
- Federal Supplemental Educational Opportunity Grant* (FSEOG)

Self Help Aid

- Perkins* & Direct Student Loans (repayment usually begins after education is finished)
- Federal Work-study* (FWS) (received as a paycheck)

** These programs are campus-based aid (CBA). Lane receives an annual allocation of federal funds for each. The allocations are much less than is needed to fund all eligible students.*

Only 20% of eligible students who have need are awarded these programs.

This means there is significant under-funding for the majority (80%) of Lane's financial aid students who demonstrate need.

Changes in Financial Aid for 2013-14

Pell Grant: The maximum Pell has increased to \$5,645 for the academic year, an increase from \$5,550 in 2011-12. The majority of Pell awards go to those with household incomes of under \$30-35,000 a year.

Oregon Opportunity Grant (OOG):

This grant is based on a cost of attendance, set by the Oregon Student Assistance Commission. For 2013-14, the full-time award is \$2000, a \$50 increase from 2012-13. If the program was fully funded, Community College students could get grants of up to \$5,581. In addition, due to application cut-off dates, fewer than half of Lane students who meet need guidelines actually receive Oregon Opportunity Grant awards.

COST OF ATTENDANCE AT LANE

Cost of attendance is comprised of direct and indirect costs that are combined into a standard budget for financial aid purposes.

- Direct costs to a student at Lane Community College are tuition and fees, books and supplies.
- Indirect costs are room and board, miscellaneous personal expenses, transportation, child care, and expenses for students who require disability accommodations.
- The American Opportunity Tax Credit only applies to tuition, fees and books.

For 2012-13, Lane's standard cost of attendance for financial aid purposes is \$13,146 for students who do not live with parents/relatives (91%) and \$8,335 for students who do (9%). This cost of attendance is based on an average enrollment level among financial aid recipients taking 6-18 credits in the prior award year. For the 12-13 award year, the average enrollment level for aid recipients taking 6-18 credits per term was 10.3 credits per term, so this is the basis for the "tuition and fees" portion of standard budgets.

Standard student budgets

(2013-14 estimated tuition includes HEPI and student activity fee increase)

Cost of attendance:	<u>2012-13</u>	<u>2013-14</u>
Current Tuition -	\$ 2,772	\$ 2,844
Fees -	\$ 420	\$ 435
Loan fees -	\$ 100	\$ 100
Books & Supplies -	\$ 1,182	\$ 1,230
Room & Board -	\$ 7,344	\$ 7,335
Misc. Personal -	\$ 1,845	\$ 1,620
Transportation -	\$ 990	\$ 1,035
Total *-	\$14,653	\$14,599

Child care, computer purchase, disability expenses, and differential fees increase these figures.

**The difference in attendance costs is because two student budget components were reduced for 2013-14 due to duplicated cost categories:*

- *“Miscellaneous personal” included \$55 per term for dining out in 2012-13, but this was removed for 2013-14 because food expenses are included in the “room and board” component of the budget.*
- *“Room and Board” includes utility costs. Closer review revealed that the all of apartment complexes used in establishing the cost of rent include some utilities, reducing the out-of-pocket utility costs by about \$10 per month.*

Examples of financial aid packages

Financial aid packages are calculated based on costs of attendance, minus a factor called “expected family contribution”, resulting in a student’s determination of need-based aid. The expected family contribution is a number derived from a congressional federal methodology that calculates a student and/or parent’s ability to contribute to a school’s cost of attendance. It does not necessarily reflect a family’s true ability to contribute.

Student Profiles, Costs, and Aid Available

Students’ individual situations vary widely. Here are some examples of potential aid packages for students planning to attend Lane in 2013-14. All students profiled are low income with high need for aid.

The term “refund” in the examples below refers to the amount that students receive after tuition and fees are paid. Students must cover all of their remaining educational expenses (books, living expenses, and transportation) by combining their “refund” with any other financial resources available to them, such as wages, savings, and assistance from family members.

Example 1
Standard Cost

First year student with maximum eligibility (zero expected family contribution)

2013-14 Budget (3 terms)	Aid with *campus-based funding and OOG (20% of recipients)	
Tuition:	\$ 2,844	Pell Grant: \$ 5,645
Mandatory Fees:	435	Oregon Opportunity Grant: 2,000
Books & Supplies:	1,230	*FWS 3,454
Room & Board:	7,335	<u>Direct Subsidized Loan: 3,500</u>
Misc. Personal Expenses:	1,620	Total \$14,599
Transportation:	1,035	
<u>Loan Fees: 100</u>		<i>Estimated refund + wages per year:</i>
Total \$14,599		<i>\$7,831 refund + \$3454 wages = \$11,285</i>

Aid package, no work-study (35%+ of recipients)

Pell Grant:	\$ 5,645	
Oregon Opportunity Grant:	2,000	<i>Estimated refund per year: \$7,831</i>
<u>Direct Subsidized Loan: 3,500</u>		
Total \$11,145		(\$3,454 in unmet need)

Aid package, no work-study or Oregon Opportunity Grant (40%+ of recipients)

Pell Grant:	\$ 5,645	<i>Estimated refund per year: \$5831</i>
<u>Direct Subsidized Loan: 3,500</u>		
Total \$9,145		(\$5,454 in unmet need)

ADDITIONAL LOAN OPTIONS (would increase refund amount)

- If receiving Oregon Opportunity Grant:
 - Dependent student: replace work-study with an unsubsidized loan of up to \$2000 (\$5500 total debt/year)
 - Independent student: replace work-study with an unsubsidized loan of up to \$3454 (\$6954 total debt/year)
- If both Oregon Opportunity Grant and campus-based funding are exhausted:
 - Dependent student: \$2000 unsubsidized loan (\$5500 total/year)
 - Independent student: \$5454 unsubsidized loan (\$8954 total/year)

Example 2

Differential Fee (Nursing Program)

First year student with maximum eligibility (zero expected family contribution)

2013-14 Budget (3 terms)

Tuition & Mandatory Fees:	\$ 2,844
Mandatory Fees:	435
Differential Fee:	3,059
Books & Supplies:	1,230
Room & Board:	7,335
Misc. Personal Expenses:	1,620
Transportation:	1,035
<u>Loan Fees:</u>	<u>100</u>
Total	\$17,658

Aid with *campus-based funding (20% of recipients)

Pell Grant:	\$ 5,645
Oregon Opportunity Grant:	2,000
*FWS	3,600
<u>Direct Subsidized Loan:</u>	<u>3,500</u>
Total	\$14,745
(\$2913 in unmet need)	

*Estimated refund + wages per year:
\$4772 refund + \$3600 wages = \$8,372*

Aid package, no work-study (35%+ of recipients)

Pell Grant:	\$ 5,645
Oregon Opportunity Grant:	2,000
<u>Direct Subsidized Loan:</u>	<u>3,500</u>
Total	\$11,145

Estimated refund per year: \$4,772

(\$6,513 in unmet need)

Aid package, no work-study or Oregon Opportunity Grant (40%+ of recipients)

Pell Grant:	\$ 5,645
<u>Direct Subsidized Loan:</u>	<u>3,500</u>
Total	\$9,145

Estimated refund per year: \$2,772

(\$8,513 in unmet need)

ADDITIONAL LOAN OPTIONS (would increase refund amount)

- Receiving both Oregon Opportunity Grant and Work Study:
 - Dependent student: \$2000 unsubsidized loan (\$5500 debt/year)
 - Independent student: \$2913 unsubsidized loan (\$6413 debt/year)
- Other two scenarios (i.e. missing at least one aid type—OOG or FWS):
 - Dependent student: \$2000 unsubsidized loan (\$5500 debt/year)
 - Independent student: \$6000 unsubsidized loan (\$9500 debt/year)

Example 3

Student with childcare (two children in household ages 5 and 7)

First year student with maximum eligibility (zero expected family contribution)

2013-14 Budget (3 terms)

Tuition & Mandatory Fees:	\$ 2,844
Mandatory Fees:	435
Childcare:	6,480
Books & Supplies:	1,230
Room & Board:	7,335
Misc. Personal Expenses:	1,620
Transportation:	1,035
Loan Fees:	100
Total	\$21,079

Aid with *campus-based funding (20% of recipients)

Pell Grant:	\$ 5,645
Oregon Opportunity Grant:	2,000
*FWS	3,600
<u>Direct Subsidized Loan:</u>	<u>3,500</u>
Total	\$14,745

(\$6344 in unmet need)

*Estimated refund + wages per year:
\$4772 refund + \$3600 wages = \$8,372*

Child Care:

Childcare allowances are based on the *Oregon Child Care Market Rate Study*.
Most students with childcare decline Federal Work Study.

Aid package, no work-study (35%+ of recipients)

Pell Grant:	\$ 5,645
Oregon Opportunity Grant:	2,000
<u>Direct Subsidized Loan:</u>	<u>3,500</u>
Total	\$11,145

Estimated refund per year: \$4,772

(\$9,934 in unmet need)

Aid package, no work-study or Oregon Opportunity Grant (40%+ of recipients)

Pell Grant:	\$ 5,645
<u>Direct Subsidized Loan:</u>	<u>3,500</u>
Total	\$9,145

Estimated refund per year: \$2,772

(\$11,934 in unmet need)

ADDITIONAL LOAN OPTIONS (would increase refund amount)

- All scenarios—i.e., with or without maximum OOG and work study:
 - Dependent student: \$2000 unsubsidized loan (\$5500 debt/year)
 - Independent student: \$6000 unsubsidized loan (\$9500 debt/year)