

NEW JERSEY

Association of State Colleges and Universities

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Assembly Higher Education Committee Assembly Bill No. 668 – Financial Aid Shopping Sheet February 20, 2014

Thank you, Madam Chair, for the opportunity to testify. The state colleges and universities strongly support providing useful information to students to help them make knowledgeable decisions about financing their college education. We are concerned, however, that this bill would require guesswork to meet its requirements, and could cause confusion with information provided on the Financial Aid Shopping Sheet devised by the federal government.

We have significant concerns about the feasibility of collecting or predicting some of the data required under the bill. For example, section b(6) requires the colleges and universities to provide each prospective student with his or her total estimated amount of student loan debt that a student would owe after graduation; and the student's estimated monthly loan payments upon graduation. It would be impossible for our schools to predict any prospective student's eligibility for loans – as well as assistance from grants and work study – beyond the first year of attendance.

Another difficult piece of information to provide is required under section b(4). Comparing the net cost of attendance at a specific institution to the “average cost per year” at “four-year public institutions of higher education” and “four-year independent institutions of higher education” is too undefined. The wide range of costs across sectors and around the country renders such comparisons too ambiguous to be truly informative to students.

Much of the other information that would be required by this bill is already provided by colleges and universities pursuant to the New Jersey College Student and Parent Consumer Information Act (P.L.2009, Ch.197). Under that law, the colleges and universities already provide data regarding access and cost, including overall four-year and six-year graduation rates; the student transfer rates; the cost of attending the institution for the current academic year; a description of the types of financial assistance offered directly by the institutions to student athletes and non-athletes; the total projected cost for an incoming freshman to complete a degree in four years versus six years; the average loan indebtedness for four-year graduates who live on campus versus those who commute; and the average loan indebtedness for six-year graduates who live on campus versus those who commute. This information can be found on the New Jersey Higher Education website: <http://nj.gov/highereducation/ConsumerInfo.htm>.

In addition, a number of our institutions participate in the Voluntary System of Accountability (<http://www.voluntarysystem.org>), which is a consumer-friendly tool for

www.njascu.org

*The College of New Jersey
Kean University
Montclair State University*

*New Jersey City University
Ramapo College of New Jersey
Richard Stockton College of New Jersey*

*Rowan University
Thomas Edison State College
William Paterson University*

conveying critical measures of student and institutional success. A related website called the College Portrait of Undergraduate Education allows prospective students to compare two schools side-by-side. The information includes costs for attendance, including average financial aid awards; a breakdown of students by gender and race; student progress; and educational outcomes. A vast array of information is available on the website, which can be found at: <http://www.collegeportraits.org/>.

As you continue to consider this legislation, it is instructive to examine the federal Financial Aid Shopping Sheet, which is referenced in section 1.c. of the bill as a potential model. A copy of the Financial Aid Shopping Sheet is attached, and can be viewed at <https://www.ifap.ed.gov/dpcletters/attachments/ShoppingSheetTemplateGEN1326.pdf>. As you will see, the Financial Aid Shopping Sheet provides information regarding net cost and financial aid options only for the first year of attendance, and cautions students that actual eligibility of borrowing under student loan programs could be different than the amount presented on the sheet.


The federal Financial Aid Shopping Sheet is being adopted by institutions around the country, and for that reason we respectfully request that A-668 be amended to require only the information that is required on the federal form. We also ask that the bill be harmonized with the already existing law, the New Jersey College Student and Parent Consumer Information Act (P.L.2009, Ch.197). This consistency will help students find the information they need as they consider their college options.

We share the concern addressed in this bill over keeping students and their families as informed as possible over college costs, and we greatly appreciate your consideration of our comments. We look forward to working with you on this important issue.

ASCU
2-19-14

University of the United States (UUS)

Student Name, Identifier

 Download

Costs in the 2014-15 year

Estimated Cost of Attendance

\$X,XXX / yr

| | | |
|-----------------------------|----|-------|
| Tuition and fees _____ | \$ | X,XXX |
| Housing and meals _____ | | X,XXX |
| Books and supplies _____ | | X,XXX |
| Transportation _____ | | X,XXX |
| Other education costs _____ | | X,XXX |

Graduation Rate

Percentage of full-time students who graduate within 6 years



XX.X%

| | | |
|-----|--------|------|
| Low | Medium | High |
|-----|--------|------|

Grants and scholarships to pay for college

Total Grants and Scholarships ("Gift" Aid; no repayment needed)

\$X,XXX / yr

| | | |
|--|----|-------|
| Grants and scholarships from your school _____ | \$ | X,XXX |
| Federal Pell Grant _____ | | X,XXX |
| Grants from your state _____ | | X,XXX |
| Other scholarships you can use _____ | | X,XXX |



Loan Default Rate

Percentage of borrowers entering repayment and defaulting on their loan

X.X%

X.X%

This institution

National

What will you pay for college

Net Costs

(Cost of attendance minus total grants and scholarships)

\$X,XXX / yr

Median Borrowing

Students who borrow at UUS typically take out \$X,XXX in Federal loans for their undergraduate study. The Federal loan payment over 10 years for this amount is approximately \$X,XXX per month. Your borrowing may be different.



Options to pay net costs

Work options

Work-Study (Federal, state, or institutional) _____ \$ X,XXX

Loan Options*

| | | |
|--|----|-------|
| Federal Perkins Loan _____ | \$ | X,XXX |
| Federal Direct Subsidized Loan _____ | | X,XXX |
| Federal Direct Unsubsidized Loan _____ | | X,XXX |

*Recommended amounts shown here. You may be eligible for a different amount. Contact your financial aid office.

Repaying your loans

To learn about loan repayment choices and work out your Federal Loan monthly payment, go to: <http://studentaid.ed.gov/repay-loans/understand/plans>

Other options

Family Contribution

(As calculated by the institution using information reported on the FAFSA or to your institution.)

\$X,XXX / yr

- Payment plan offered by the institution
- Military and/or National Service benefits
- Parent or Graduate PLUS Loans
- Non-Federal private education loan

For more information and next steps:

University of the United States (UUS)
Financial Aid Office

123 Main Street
Anytown, ST 12345
Telephone: (123) 456-7890
E-mail: financialaid@uus.edu

Customized information from UUS

Glossary

Cost of Attendance (COA): The total amount (not including grants and scholarships) that it will cost you to go to school during the 2014–15 school year. COA includes tuition and fees; housing and meals; and allowances for books, supplies, transportation, loan fees, and dependent care. It also includes miscellaneous and personal expenses, such as an allowance for the rental or purchase of a personal computer; costs related to a disability; and reasonable costs for eligible study-abroad programs. For students attending less than half-time, the COA includes tuition and fees; an allowance for books, supplies, and transportation; and dependent care expenses.

Total Grants and Scholarships: Student aid funds that do not have to be repaid. Grants are often need-based, while scholarships are usually merit-based. Occasionally you might have to pay back part or all of a grant if, for example, you withdraw from school before finishing a semester.

Net Costs: An estimate of the actual costs that you or your family will need to pay during the 2014–15 school year to cover education expenses at a particular school. Net costs are determined by taking the institution's cost of attendance and subtracting your grants and scholarships.

Work-Study: A federal student aid program that provides part-time employment while you are enrolled in school to help pay your education expenses.

Loans: Borrowed money that must be repaid with interest. Loans from the federal government typically have a lower interest rate than loans from private lenders. Federal loans, listed from most advantageous to least advantageous, are called Federal Perkins Loans, Direct Subsidized Loans, Direct Unsubsidized Loans, and Direct PLUS Loans. You can find more information about federal loans at StudentAid.gov.

Family Contribution (also referred to as Expected Family Contribution): A number used by a school to calculate how much financial aid you are eligible to receive, if any. It's based on the financial information you provided in your Free Application for Federal Student Aid (FAFSA). It's not the amount of money your family will have to pay for college, nor is it the amount of federal student aid you will receive. The family contribution is reported to you on your Student Aid Report, also known as the SAR.

Graduation Rate: The percentage of students who graduate from an institution. This shows students who began their studies as first-time, full-time degree- or certificate-seeking students and completed their degree or certificate within 150 percent of "normal time." For example, for a four-year school, the graduation rate would be the percentage of students who completed that program within six years or less.

Loan Default Rate: The percentage of student borrowers – undergraduate and graduate – who have failed to repay their federal loans within three years of leaving a particular school. A low loan default rate could mean that the institution's students are earning enough income after leaving school to successfully repay their loans.

Median Borrowing: The amount in federal loans the typical undergraduate student takes out at a particular institution. It also indicates the monthly payments that an average student would pay on that amount using a 10-year repayment plan.

Customized information from UUS