

STATE & FEDERAL AID

Programs for student higher education



INTRODUCTION

"The foundation of every state is the education of its youth."

- The Philosopher Diogenes

In addition to scholarships, grants, and personal or family contributions, there are state and federal programs that can [help students pay for education](#).

Some students find these programs to be necessary to put themselves through school, while other students are fortunate to need very little to no assistance from these programs. [Whether you need these programs depends on several factors](#), including eligibility for private scholarships and other funding, your school of choice, and how long you will be in school.

While Olgoonik Corporation has shareholders in various states, the state financial aid portion of this guide will focus on programs available from the State of Alaska where most of our shareholders reside. The information about federal aid, however, should be applicable to every student, regardless of where they live in the U.S.

TIPS FOR THIS GUIDE:

- This isn't the only information available to you! You can (and should) do your own research to learn the most you can about your options. There's *so much* information out there.
- Some information contains **links** to websites where you can find more information. We recommend using this guide electronically to best take advantage of this feature.
- This is one guide of a series from Shareholder Services that cover topics including choosing a school, degree types, training, and financial aid.
- For questions or more information, contact the **Olgoonik Shareholder Services team** in the Anchorage or Wainwright office. You can also email: shareholderservices@olgoonik.com.

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Stay Connected!

Social media allows us to connect with one another but it can also a great tool for learning about and accessing financial aid. Here's some helpful links and accounts to follow, specifically relating to this resource guide:

Federal Student Aid

- facebook.com/FederalStudentAid/
- Twitter @FAFSA
- youtube.com/user/FederalStudentAid

Alaska Commission on Postsecondary Education (ACPE)

- facebook.com/followacpe/
- Instagram @FollowACPE
- https://www.youtube.com/channel/UCaWRxzIcex_oXh0CioU4BYw



Federal Student Aid Programs

There's a wealth of information out there about **Federal student aid** and student aid can come in many forms. First, let's look at Federal student loans, a type of aid that must be paid back. Student loans can seem complicated to understand, so let's start with breaking down the basics of Federal student loans before we cover other, generally easier to understand types of Federal aid.

Types of Federal Student Loans

Student loans can be difficult to understand and not every student will want or need to take out loans. To get a better idea about federal loans, let's look at the basics:

	Direct Subsidized	Direct Unsubsidized	Direct PLUS Loan
Who is it for?	<ul style="list-style-type: none">Undergraduates at colleges/universities, trade and tech schools	<ul style="list-style-type: none">Undergraduate studentsGraduate students	<ul style="list-style-type: none">Graduate and professional studentsParents of undergrads
How much can I borrow?	<ul style="list-style-type: none">\$5,500 - \$12,500 per year (depending on requirements)	<ul style="list-style-type: none">\$5,500 - \$12,500 per year for undergrads\$20,500 for graduate students	<ul style="list-style-type: none">Varies: The remainder of costs not covered by other sources of financial aid
What are the considerations?	<ul style="list-style-type: none">Based on student's financial needAmount affected by dependent statusAmount affected by student's year in school	<ul style="list-style-type: none">Not dependent on financial needAmount received determined by schoolFactors in costs/other aid received by student	<ul style="list-style-type: none">Not dependent on financial needCredit check required for borrower
Who pays interest?	<ul style="list-style-type: none">US Dept. of Education as long as the student is enrolled half time and for the first 6mo. after leaving school	<ul style="list-style-type: none">Borrower (student) is responsible for all interest costs	<ul style="list-style-type: none">Borrower (student or parent) is responsible for all interest costs



Want to learn more? Check out these resources:

StudentAid.gov - Loan Information

- <https://studentaid.gov/understand-aid/types/loans>
- <https://studentaid.gov/sites/default/files/federal-loan-programs.pdf>

StudentAid YouTube - Responsible Borrowing

- <https://www.youtube.com/watch?v=mTHtn0FRMWw>



Federal Student Aid Programs, continued

Federal loans are not the only source of Federal student aid available. If you've read our volume titled Financial Aid Overview, you'll know that grants and work-study programs are other options that you may be eligible for. Let's take a look at these sources of aid.

Federal Grants

Federal grants are type of financial aid that generally does not have to be paid back. Whether or not you qualify for a grant will typically depend on the student's financial need.

	Pell Grants	Federal Supplementary Opportunity Grant	TEACH Grant
Who is it for?	<ul style="list-style-type: none">Undergraduates with exceptional financial need	<ul style="list-style-type: none">Eligible students with financial need at participating schools	<ul style="list-style-type: none">Eligible undergrads and graduate students at participating schools
How much can I receive?	<ul style="list-style-type: none">Up to \$6,495 in 2021-22, but amounts can change yearly	<ul style="list-style-type: none">Between \$100 and \$4,000 a year, depending on your financial need	<ul style="list-style-type: none">Up to \$4,000 per year to students completing coursework needed to begin teaching
What are the considerations?	<ul style="list-style-type: none">Full-time/part-time status, your Expected Family Contribution, cost of attendance, and plans to attend school for a full academic year or less can affect your eligibility and amount	<ul style="list-style-type: none">Check your school's financial aid office to see if they participateFSEOG dollars are given to participating schools by the US Dept. of Education. Once funding is gone, no other FSEOG payments can be made	<ul style="list-style-type: none">Recipients must agree to complete 4-years of teaching as a requirement for the grant or return the amount in full with interest.Student must meet additional academic achievement requirements



Want to learn more? Check out these resources:

StudentAid.gov's Grants Information

- <https://studentaid.gov/understand-aid/types/grants>

Details and Award Limits for Federal Student Grant Programs

- <https://studentaid.gov/sites/default/files/federal-grant-programs.pdf>



Federal Student Aid Programs, continued

Loans and grants are great sources of funding, but what if you want to also gain work experience while paying down school costs? A federal work-study program allows students to do both! Undergraduate and graduate students can benefit from part-time work on or off-campus while enrolled in school through work-study programs.

Federal Work-Study Programs

Federal work-study programs provide students with meaningful, program-related work experience while attending school. These opportunities can help students pay down education-related expenses.

Who is it for?

- Undergraduate, graduate, and professional students with financial need that are attending school full-time or part-time.

How can I participate?

- Federal work-study programs are administered by the school participating in the Federal Work Study Program. Students should check with their school's financial aid office to see if their school participates.

What are the jobs like?

- The program tries to assign work related to the student's major/course of study whenever possible, or provides work in civic education working in the public interest.
- On-campus workers are employed by the school while off-campus workers are usually employed by a non-profit or public agency.
- Some schools partner with a private for-profit company for off-campus work.

How much will I earn and how will I be paid?

- At a minimum, students will earn at least the federal minimum wage amount, although students can earn more in some cases.
- Total awards can depend on when you apply, your level of financial need, and your school's level of funding through the program.
- Undergrads are paid by the hour. Graduate and professional students are paid hourly or salary, depending on the type of work.
- The program pays students directly, unless the student requests payment be applied to school expenses or direct deposited into the student's bank account.



Want to learn more? Check out these resources:

StudentAid.gov's Work-Study Program

- <https://studentaid.gov/understand-aid/types/work-study>

Student Aid YouTube - Work-Study Informational Videos

- <https://www.youtube.com/watch?v=Z5i9bxXa0IE>
- <https://www.youtube.com/watch?v=aAzOTDZa4Ak>



State of Alaska Student Aid Programs

Like the federal government, the State of Alaska has financial aid programs available to students. The Alaska Commission on Postsecondary Education (ACPE) provides a variety of financial aid and education planning resources on their website.



We'll start with [Alaska's loan programs](#).

Alaska Supplemental Education Loan (ASEL)

Who is it for?

- Undergraduate, graduate, and career training students
- Students attending school in-state or out-of-state

How much can I receive?

- Up to \$56,000 for undergrads/ career training (aggregate)
- Up to \$60,000 for graduate students (aggregate)

What are the considerations?

- Minimum credit score of 650 required for applicants
- No payments while attending school at least half-time
- Generally lower interest rate than a private loan
- Standard repayment of 10 years

Alaska Family Education Loan (AFEL)

- Qualified family member supporting undergraduate, graduate, or career training student and assisting with education expenses

- Up to \$56,000 for families with undergrads/ career training students (aggregate)
- Up to \$60,000 for families with graduate students (aggregate)

- No minimum credit score
- Applicant cannot have adverse credit history (delinquencies)
- Repayment: Final disbursement is sent to school, when student graduates, drops below full-time status, or withdraws (whichever comes first)
- Standard repayment of 10 years



Want to learn more? Check out these resources:

Alaska Supplemental Education Loan information

- <https://acpe.alaska.gov/LOANS>

Alaska Family Education Loan Information

- <https://acpe.alaska.gov/LOANS/Family-Loan>



State of Alaska Student Aid Programs, continued

In addition to loan programs, ACPE also provides scholarships, grants, and exchange/ access programs that reduce the cost of tuition and fee expenses to students. Eligibility requirements vary. Students may have to earn a certain GPA or demonstrate financial need to qualify. Let's see if any of these programs are right for you!



Alaska Performance Scholarship

- ✓ Award amount based on student's GPA and college entrance or career-readiness exam scores
- ✓ Amounts vary based on award level (\$2,378 - \$4,755 per year)
- ✓ Student must have completed a rigorous high school curriculum, as outlined by ACPE
- ✓ Must complete the FAFSA

Alaska Education Grant

- ✓ Must be admitted to an undergrad, graduate, or vocational certificate program at a qualifying school
- ✓ Must be enrolled at least half-time
- ✓ Must not have earned a previous baccalaureate degree
- ✓ Awards range from \$500 - \$4,000 per academic year and students must have financial need

Exchange & Access Programs

- ✓ **Western Undergraduate Exchange** - Low-cost opportunities for undergrads to attend out-of-state school at a reduced tuition rate at participating schools
- ✓ **Western Regional Graduate Program** - Allows graduate students to attend and pay out-of-state tuition costs at participating schools outside of Alaska
- ✓ **Professional Student Exchange Loan Program** - Allows Alaskan students to participate in out-of-state professional programs not available in Alaska (Dentistry, Physician Assistant, Pharmacy, etc.)



Want to learn more? Check out these resources:

Alaska Commission on Postsecondary Education

- <https://acpe.alaska.gov/FINANCIAL-AID/AK-Performance-Scholarship>
- <https://acpe.alaska.gov/FINANCIAL-AID/AK-Education-Grant>
- <https://acpe.alaska.gov/FINANCIAL-AID/Exchange-Programs>

Accessing Your Aid: Completing the FAFSA

In many cases, completing the **Free Application for Federal Student Aid (FAFSA)** is your **first step** to qualifying for and accessing your financial aid. Both federal and state programs (in addition to many private sources of funding that are needs-based) require the FAFSA to be completed by students before allocating financial aid dollars.

1) Create a FSA ID

- ✓ This gives you access to apply for the FAFSA

2) Gather Required Documents & Info

- ✓ Your social security number and your parents' social security numbers (if you are a dependent)
- ✓ Your driver's license number, if you have one
- ✓ Your federal tax information or tax returns and your parents' or spouse's information if you're a dependent or married
- ✓ Information on cash, savings/checking account balances, investments, real estate, and other assets for yourself and your parents or spouse, if you're a dependent or married



3) Enter Your Info & Complete the App

- ✓ Complete the application by the deadline. Each college/career school has its own deadline, which should be listed on its financial aid website.
- ✓ US Dept. of Education will send out your Student Aid Report (SAR). Make any changes or corrections if necessary and resubmit if required. SAR will contain your Expected Family Contribution, which determines your aid eligibility for many programs.

4) Accept or Reject Your Aid

- ✓ You will find out how much and which types of aid you are eligible for. Review your offers and accept or reject the aid offered based on your needs and your school of choice.



Want to learn more? Check out these resources:

StudentAid.gov

- <https://studentaid.gov/apply-for-aid/fafsa/fafsa-deadlines>
- <https://studentaid.gov/apply-for-aid/fafsa/filling-out>

Alaska Commission on Postsecondary Education

- ACPE offers assistance via Zoom every Wednesday for FAFSA help!

Final Thoughts

There are a *ton* of factors that play into your need for aid, how much you should or want to take on, and what choices will be right for you.

And that's just it, **what you choose needs to be right for you**. Not everyone wants - or needs - to take on student loans to complete college or career school. If you have great grades and exam scores, can demonstrate financial need, or are an Indigenous student, you may qualify for merit or needs-based scholarships and grants to help you with school. Similarly, some students also choose to work during school to help alleviate education and living expenses.

For some students, depending on their career path and how much schooling they need, student loans may be unavoidable and that's why we've sought to provide as much information as possible about your opportunities. **You don't have to figure it all out on your own**. Sit down with a trusted adult, a school counselor, a financial aid officer, or a friend or family member who has gone through this process before you. Watch YouTube videos, Google search resources, and check out various academic resource websites. There's a lot of information out there to help you succeed.

We can't wait to see where your journey takes you!



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