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President's Column

By Lois Larson, MAFAA President

Greetings everyone,

The Executive Council of the MAFAA met on February 12th at Hennepin Technical College, Eden Prairie Campus. The topics of discussion generated, well, lots of discussion. It appears the Executive Board is a microcosm of the times. As the world changes around us, the old rules for business do not seem to fit. Issues we never had to think about in years gone by are now spurring debate about doing the right thing in today's environment. How do we deal with regular or associate members once employment ends? Can they still serve on committees? I don't know because people never used to be laid off. What about mileage reimbursement when a committee member uses a college or university-owned car? Do we reimburse members or institutions for costs associated with doing business? What constitutes MAFAA sponsorship with respect to free associate member training?

What is happening in our association, I believe, is a relatively predictable phenomenon during times of turbulence. It is a cyclical part of change. When working as a group, we form, then storm, norm, and then, once again, reform. As things churn in our associate member sector, things will be out of place and upended for a time (stormy) until we in other sectors find a pattern that fits the new reality, however that may look. We have not yet entered into a time of normalcy and until we do, there will be many discussions about which direction to go. It is vitally important that we allow ourselves time to storm and not get caught up with the need to normalize the process. Storming generates good, healthy discussion and needed innovation in industry. Why not in MAFAA as well?

It will take some time for all of us in student financial aid to realize the impact of new legislation on our work and the exit of business partners we know as friends. Until then, we will wrestle with topics and search for answers. But, hold fast in the knowledge that the Executive Council you have working for you is a group of sound and ethical folk. We may disagree with how to do business at times, but we are resolute in our commitment to serve the membership and preserve MAFAA. MAFAA has also been a bit of a family and we have always been known to "take care of our own". I am certain that will continue.

For more on the Executive Council proceedings, keep in touch with the minutes posted to the website. And until next time, remember, many things are cured with a tincture of time.

Regards, Lois

MAFAA COMMITTEE SPOTLIGHT: *Leadership*

The Leadership Committee is responsible for developing and implementing the Association's Leadership Symposium and Masters Leadership Program.

The Leadership Symposium is a special program developed by MAFAA in 1994 to provide enhanced leadership skills and training for MAFAA members which can then be used in the participants work environment, personal life, and within the Association. The Symposium covers topics such as leadership style/preference, team building, goal setting, involvement, time management, conflict resolution, working successfully with individuals and groups, personal development, professional opportunities and more.

This years Leadership Participants assisted with the MASFAA Family Education Concerns Reality Store Event on October 9, 2009 at Anwatin Middle School in Minneapolis. Members of Leadership Symposium assisted with the station rotations that students attended throughout the day. This was a very rewarding event.

The Leadership participants are also reading a leadership book and working on a personal development project. They are also working on attending an event at the State Capitol with Government Issues and the Office of Higher Education.

The Masters Leadership Program is targeted at MAFAA members who have been in the financial aid profession for ten or more years. The Masters Leadership Program will seek to provide three professional development opportunities each year, two connected with the fall and spring conferences, and one stand-alone event. Participants in the program will also be encouraged to seek out other professional development activities outside of MAFAA as part of their own program. Participants will be encouraged to give back to the profession through service. This could include leadership in association governance or programs, developing activities that serve other constituencies, or publishing results of research projects.

This years Leadership Chair is **Jayne Dinse**, from South Central College.

Leadership committee members are:

Kerri Schmidt, Minnesota State College – Southeast Technical

Sandra Goman, College of St. Scholastica

Pam Engebretson, Student Loan Finance Corporation

Laura Jensen, Metropolitan State University

Carol Dockendorf, Rasmussen College – St. Cloud

Jody O'Connor, University of Minnesota - Duluth

If you would like to learn more about the Leadership Committee, please contact Jayne Dinse at 507-332-5803 or 507-389-7269 or

Jayne.dinse@southcentral.edu



Spring is Just Ahead – MAFAA Conference is May 5-7, 2010

By Katie Hendrickson and Joni Wiederhoeft, Conference Planning Co-Chairs

What's your code? What's all the buzz about generational gaps? Do you believe in miracles? Can we adapt to all these changes? I am a new employee in a financial aid office, help? These questions and more will be answered at MAFAA's Spring Conference.

The MAFAA Spring Conference will be held May 5, 6, and 7 at Madden's Resort in Brainerd. The conference will feature interest sessions with pertinent information that we can all use in our profession, inspirational speakers, and networking opportunities. There will be opportunity each day for you to attend training sessions that fit your needs whether you are new to financial aid or if you have been involved in financial aid for many (many) years. There will be a FA 101 track as well as sessions geared for Financial Aid Managers.

NOTE: The conference will begin at 12:30 p.m. on Wednesday afternoon

The conference will begin with "WHAT'S YOUR CODE? LESSONS OF ETHICS & ACCOUNTABILITY FROM THE SPORTS WORLD TO THE BUSINESS WORLD." Ross Bernstein is a best-selling author and has appeared on thousands of television and radio programs over his career, including CNN and ESPN, as well as in the pages of the *Wall Street Journal*, *New York Times* and *USA Today*. He will also be doing an interest session, "WHEN IT COMES TO TEAM BUILDING, LEADERSHIP AND MOTIVATION... DO YOU BELIEVE IN MIRACLES?" He will speak extensively about roles and role players within organizations, and about the power of teamwork and service — especially when trying to overcome obstacles.

What's all the buzz about "generational gaps" in the workplace or your business about? We will start your Thursday morning with Barb Larsen in an engaging and participative approach to gain a clear understanding of how you and your organization can gain a better understanding of this new dimension in generational diversity that is affecting our workplace, customers, and board room.

The MAFAA spring conference will also offer a good assortment of interest sessions. A few highlights include:

Jamie Malone, everyone's favorite training officer.

Maria Marella, FSA, Program Management Services, will present several sessions on the Federal Direct Loan Program and hold a Q & A session.

Cheryl Maplethorpe, Ginny Dodds and Megan FitzGibbon from Minnesota Office of Higher Education will present on several topics.

FA 101, during every interest session time slot there will be a FA 101 session offered. This is a great opportunity for all new members to receive clear and concise training and also for members that have been around a while to attend a great review session.

Silent and Live Auction - Your help is needed! Plan now to bring a homemade, or purchased item, or even a gift certificate to your favorite restaurant for our fundraiser. The charity chosen for the spring conference is **Second Harvest Heartland**. It is the Upper Midwest's largest hunger-relief organization, striving to end hunger through community partnerships. SHH forms the backbone of organizations working together to efficiently alleviate hunger in [more](#) than 40 counties throughout Minnesota. You won't want to miss this - some of the larger or more famous auction items (Dale Thornton's homemade brew?) will be available at a live auction held immediately after the Thursday evening banquet.

Information regarding conference registration will be coming soon. Please watch for more details through the MAFAA listserv, MAFAA website and *MAFAA Matters*.

See you at Madden's!

FAFSA Changes Make It Easier and Faster for Students and Families to Complete

Submitted by Susan Nepl, Great Lakes

Each year, more than 16 million students and families complete the Free Application for Federal Student Aid (FAFSA). In the past, the process was overwhelming and often took four times longer than the simplest tax return. But with recent regulations requiring FAFSA simplification, the U.S. Department of Education (ED) has been busy making changes so that both the paper and online versions are easier and take less time for students and families to complete.

You can help your students by getting a better understanding all of the changes that have been made to help make the form less complicated and more manageable for students and families. Here's a quick recap of the changes:

fafsa.gov. There's a new website address—students and families can now reach FAFSA on the Web by simply typing in **fafsa.gov**. By eliminating the “ed” in **fafsa.ed.gov**, ED hopes to reduce the likelihood that students wind up at a for-profit website that charges students a fee to complete the form—the FAFSA is free so students and families should never pay anyone to complete it for them.

Redesigned website. The new website is more student focused. Improvements include:

Application steps across the top of the page to help students know where they are in the application

A help and hints box to guide students through each page

Status messages to guide students through their application, and student and parent indicators to let students and parents know what questions are for the student and what questions are for the parent

Confirmation page. This comprehensive page arms the student with more information than ever to help them make their decision about where to go to college. It offers:

Complete information on student loan and grant eligibility

Details about specific colleges the student has chosen and links them to the College Navigator for more information, including retention, graduation, and transfer rates

The student the ability to email the page to their personal email address so they can reference it again

Enhanced skip logic. Skip logic allows students and families applying online to skip questions based on their answers to earlier questions, allowing fewer questions and web screens for almost all students. This not only saves students time, but it also allows them to focus on the questions that matter to them.

Enhanced security. A number of changes limit the display of a student's Social Security number on the FAFSA, including the addition of a virtual keyboard to hide keystrokes and other enhancements that mask a student's SSN.

Department of Defense match. With new provisions added by HEOA to the Higher Education Act of 1965, an otherwise eligible student whose parent or guardian died as a result of U.S. military service in Iraq or Afghanistan after September 11, 2001, may receive increased amounts of Title IV student financial assistance. ED and the Department of Defense are working together to create a database match that will help schools and ED identify students who are eligible for the increased aid. A manual match will be in place in February 2010 and an automated match will be in place for the 2010–11 award year.

Easier revisions. Error messages on the 2010–2011 FAFSA are now displayed as a list in a text box. Applicants must resolve each error before they are allowed to continue to the next screen.

IRS Data Retrieval. IRS data will soon be able to be transferred and populated into an applicant's FAFSA. The IRS Data Retrieval tool allows FAFSA on the Web (FOTW) applicants to transfer their income tax data from the IRS to the FOTW. The tool shortens the application process and decreases the complexity of some of the financial questions for students and families.

Updated paper FAFSA. Minor changes were made to the paper FAFSA to keep it consistent with the FOTW. The colors have been updated for consistency with the FOTW—blue for student information and purple for parent information. The same legislation changes also apply to the paper FAFSA:

The student marital status question, question 16, was expanded to four options

The questions regarding veterans education benefits are no longer required per HEOA and were deleted
Questions 45g and 93g were deleted because the value of military housing and military housing allowance has been excluded from consideration as untaxed income benefits in the need analysis formula

Any income earned from work under a cooperative education program at an institution of higher education (questions 44f and 92f) has been excluded

Understanding the changes will help you better help your students through the financial aid process.

Taxpayers May Claim Extra Credit for College Costs

Submitted by Becca Diskin, USA Funds Services

During this federal income tax-filing season, financial aid administrators can assist families that paid college expenses during 2009 by encouraging them to take advantage of higher education tax credits and deductions when they file their federal income tax returns. Congress has increased the amount of and expanded the eligibility for a federal tax credit to help families that paid tuition and other college costs. Among the changes in higher education tax benefits are the following items:

American Opportunity Tax Credit. This tax credit is a renamed and expanded version of the Hope tax credit. The maximum credit has been increased to \$2,500 from \$1,800. The credit now covers qualified higher education expenses during the first four years of study toward a degree. The Hope credit covered only the first two years of study. Taxpayers who paid college expenses for the fifth and subsequent years of higher education still may qualify for a different tax credit, the Lifetime Learning Credit, which offers a credit of up to \$2,000 for costs paid for any year of education beyond high school. Income limits to qualify for the American Opportunity Tax Credit are higher than the limits had been for the Hope credit: Single taxpayers with modified adjusted gross incomes of less than \$90,000, and married taxpayers filing joint returns reporting modified adjusted gross incomes of less than \$180,000, now may qualify for at least a partial credit. Because a portion of the credit is refundable, taxpayers with no federal income tax liability may qualify to receive up to \$1,000 under this tax credit.

Student loan interest deduction. The maximum income limits to qualify for the deduction have been increased for 2009 tax returns. Single tax-filers with modified adjusted gross incomes of less than \$75,000, and married taxpayers filing jointly with modified adjusted gross incomes of less than \$150,000, may qualify for at least a partial deduction. Taxpayers may deduct from their taxable income up to \$2,500 in qualified interest that they paid on student loans during the tax year.

529 college savings plans. Families that tapped qualified tuition programs, commonly known as 529 savings plans, to purchase computer hardware and software, as well as Internet access, during their students' enrollment now qualify to exclude those amounts from their taxable income. Previously, only tuition, fees, books, supplies, equipment, and room and board qualified as tax-free 529 plan withdrawals.

Families should be advised to consult a qualified tax adviser or the Internal Revenue Service to determine their eligibility for any of these tax benefits.



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How do Students Make Financial Decisions?

Creating a relevant financial literacy program based on student need

Submitted by Craig Berkley, TG

It's no secret many high school and college students lack adequate money management skills. This growing problem has led financial aid administrators to wonder how best to meet one of today's most pressing challenges—preparing students for the expensive lessons that go along with college life. For many in this field, financial aid is about more than putting together solid aid packages for students; they must also anticipate that the students and parents walking through the financial aid office doors may be unprepared for the financial decisions they are about to make.

The financial aid office has been among the first to see the stressful impact that today's economic challenges are having on parents and students. Discretionary spending is down among teens and young adults, and yet nationally, students are leaving college campuses overextended and overburdened with credit card and student loan debt. The challenge is to help students and parents understand that budgeting is crucial, now as much as ever. To accomplish this goal, schools must use methods beyond traditional entrance and exit counseling.

Surveying students key to creating effective financial literacy training

As the economy changes, more students are turning to student loans to pay for college. According to the credit bureau Equifax Inc., borrowing has risen more than 25 percent in the last two years. Many in the financial aid industry worry that more students will graduate with heavy debt but without the financial skills to properly manage that debt. To help, some higher education institutions, including the University of Texas (UT), are studying how students make financial decisions.

A 2009 survey conducted by a UT student audit team asked high school, undergraduate, and graduate students to identify who or what most influences their financial decisions. Most responded that parents were the most likely influencers, with this influence decreasing as the respondents got older.

The team anticipated, correctly, that parents represent the driving force for influencing students. This influence remains a factor for today's generation of students, despite their plugged-in lifestyles. The team was surprised to find that the Internet did not greatly influence decision making. Rather, students turn to it primarily as an information source.

Determining how to build a program that works for your school

Knowing where students are looking for financial information represents an important first step toward implementing a financial literacy training program. Schools can accomplish this goal through a wide range of approaches: the important thing is to find out what students need and want from such training.

According to the UT survey's authors, schools should start by measuring students' money management skills once they arrive on campus. Many students aren't aware of the full range of options available for paying for college. Knowing what students do or do not know makes it easier to provide financial literacy help at the earliest possible opportunity.

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...financial aid is about more than putting together solid aid packages for students...

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Creating a relevant financial literacy program, *continued from page 6*

Once a school has a firm grasp on their students' level of financial literacy, the key is providing strong financial literacy resources. Creating and implementing a financial literacy curriculum, however, can seem like a daunting task. But a school doesn't have to reinvent the wheel in order to address the educational demands of its particular student body. While drafting useful financial literacy messages can be complex, help is available. Counselors planning a program have a wide variety of teaching options to choose from, including workshops, online courses, traditional classroom-based academic courses, individual counseling, student mentor programs, and content developed by other schools and institutions. Financial literacy symposiums are being arranged more frequently through nonprofit organizations, and they offer unique perspectives and creative ideas on educating students and parents on personal money management, budgeting, and credit card debt.

In the last few years, many campus financial aid offices have implemented financial literacy programs to teach students responsible spending behaviors. Schools should take a look at existing programs to help generate ideas, especially if those programs cater to similar student populations. Blog entries and discussion groups are widespread on the Web, and many financial aid administrators post their own money management programs online for others to use freely. Finally, many nonprofits provide thorough financial aid training programs that can be tailored to meet a particular school's needs; given current budgetary restraints, these programs can provide an effective means for schools to make a difference in their students' financial lives.

MAFAA Election Results

Congratulations to the newly elected MAFAA members who will join the other officers on the MAFAA Executive Council for 2010-11.

President-elect: **Jeff Aalbers**, McNally Smith College of Music
Vice-President: **Anne Dahlen**, Southeast Technical College
Secretary: **Sandy Sundstrom**, St. Olaf College
Treasurer-elect: **James Hammar**, University of St. Thomas

Thank you to every MAFAA member who honored their privilege to vote. A huge *THANK YOU* is extended to those who agreed to have their name placed on the ballot.

Your returning officers who will continue to serve MAFAA in 2010-11 are:

Past President: **Kathy Ruby**, St. Olaf College
President: **Lois Larson**, Metro State University
Vice-President: **Nichole Lien**, Mayo Clinic College of Medicine
Secretary: **Kerri Schmidt** (Interim), Southeast Technical College
Treasurer-elect: **Kerri Schmidt**
President-Elect: **Jeff Olson** (Interim), Bethel University

**MINNESOTA
ASSOCIATION OF
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Deadline for submissions for the February issue is 2/26/2010. Please email contributions to Carol Swenson at cswenson@glhec.org

Sponsorship of MAFAA Matters is arranged by the Corporate Support Committee. Please contact Donna Jager at djager@northcentral.edu for more information.

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Living With Passion

By Brad Riebel, U. S. Bank

New People, Positions, Promotions

Jodi Landgaard has been appointed financial aid director for the Minnesota West Community and Technical College five campuses. She began her duties in November. Landgaard received her undergraduate degree from Dakota Wesleyan University and her master's in business administration from the University of South Dakota. She previously served as a corporate trainer and project coordinator for Prairie Holdings Group and served as an adjunct business faculty member and student senate advisor for the Worthington campus.

Wedding

Jeffrey Schmidt (University of St. Thomas) and Kerry Hill were married on November 21st. The wedding ceremony was performed at the University of St. Thomas. The bride is employed by the Wayzata School District. Jeff and Kerry have a home in Plymouth and they are planning a honeymoon to Greece or Italy in June.

Birthdays

Happy Birthday to all MAFAA members celebrating February birthdays including:

Connie Smisek (Southwest Minnesota State University) – February 3

Melanie Dehn (Globe University) February 12.

Scott Riley (Rainy River Community College)- February 20.

Nancy Anderson (Macalester) - February 23.

Jim Rice (Ridgewater College) -February 26.

Patty Holycross (retired-Itasca Community College) – February 27

Andy Hoppin (Northwestern Health Sciences Univ)- February 28

Dianne Danov (University of Minnesota)- February 29.

LaNita Robinson (Lake Superior College) - March 2.

Cappy Breuer (Normandale) **Nadine Schutz** (Century), **Becky Billman** (Central Lakes) – March 3.

Carol Swenson (Great Lakes) - March 9

From my calendar for the month of February...INTEGRITY: Doing the right thing, even if nobody is watching.

LIVE WITH PASSION!

MAFAA's Statement of Purpose

The Minnesota Association of Financial Aid Administrators (MAFAA) is an association of professionals committed to the principle that no one should be denied access to higher education for financial reasons. MAFAA is dedicated to working with students, educators, policy makers, and others to ensure that adequate programs of financial assistance are available to every student attending a Minnesota institution of higher education.
