FINANCING A MILKEN EDUCATION

As part of its mission and role as a Community School, Milken offers financial aid to students based upon demonstrated need. Milken, through its Financial Aid Committee, administers a financial aid program that supports, to varying degrees, approximately one third of our student body. Understanding that a Milken education is a significant investment in your child’s future, the committee reviews, evaluates, and determines a fair assessment of a family’s ability to afford an outstanding education for your children.

Tuition covers only a portion of the full cost of a Milken education. Therefore, every student attending Milken has his or her education underwritten by the school’s endowment and gifts from alumni, families, and friends. Milken encourages families with limited means to apply for assistance, keeping in mind that the primary obligation for financing a student’s education rests solely with the family and all avenues available to that family before approaching Milken for assistance. Milken further expects a family to make significant adjustments in the use of its discretionary resources and lifestyle choices, as well as access ancillary resources available through family, work, and local organizations. In every instance, the Financial Aid Committee requires evidence that a family’s commitment to their child’s education is a priority over ancillary lifestyle choices.

In order to determine a family’s eligibility to receive financial aid in a fair and equitable manner, Milken requires that all applicants complete the Parents Financial Statement (PFS) with a third party called the School and Student Service for Financial Aid (SSS) for each year of attendance. This information is used to calculate an Estimated Family Contribution, or EFC, which is the amount a family will be asked to pay in tuition to Milken. Milken adheres to the National Association of Independent Schools (NAIS) Principles of Good Practice for Financial Aid Administration (See Appendix A), and asks that Families adhere to the SSS by NAIS Guiding Principles for Families (Appendix B).

The Application Process

Financial aid must be applied for annually, and families are required to demonstrate financial eligibility each year of attendance. Milken reserves the right to amend awards if new information comes to light after award notification. It is the responsibility of the family to notify Milken of a change in circumstances (both better and/or worse) at any time during the application process and/or school year. The Aid application process is as follows:

1. **For new students:** Complete the school application process. Check the box on the application that denotes an interest in Financial Aid.

   **For new and returning students:** Complete the online financial aid application on School and Student Service for Financial Aid (SSS) by NAIS website, including the upload of signed 4506-T and prior year’s signed federal tax returns (including ALL schedules).

2. Business Owners are required to load ALL applicable business tax returns in addition to the personal tax documents referenced here.
3. Upload current year federal tax returns, plus all supporting schedules, W2 and explanations by the IRS required submission date for all tax returns, typically April 15.
4. Please refer to the Tuition & Financial Aid Management tile on the myMilken resource board for specific dates and additional information.

Please note:

- Milken will not award financial aid until all current supporting tax documentation is uploaded and reviewed. “Draft” tax documentation will not be considered.
- Current families who have not previously applied for financial aid will not be eligible for aid in subsequent years unless they demonstrate a significant change in the family’s financial situation. In the case of divorce our “total family” philosophy applies.
- Material misstatements and/or omissions on the SSS Personal Financial Statements may result in the reduction or revocation of aid.
- Financial aid is held in the strictest confidence. All conversations regarding a student’s financial aid should be held with the Controller or the Chief Operating and Financial Officer. *Families run the risk of losing financial aid if it is found that they have been discussing awards with other parties.*

**Computation of Family Contribution**

Milken’s evaluation of any family's level of financial aid is based solely on an evaluation of their ability to pay. We are assisted in this process by SSS, a third-party need analysis service that analyzes economic factors to determine how much tuition a family can afford (the EFC). SSS takes the information provided by the family and estimates the EFC.

SSS, like Milken, believes a family has the primary obligation to finance their child’s education. The financial aid committee then evaluates this estimate based on all the information available to us, and comes up with an award. *Financial aid awards are not a reflection of the school's feelings about a student or family; they are merely the Financial Aid Committee’s best estimate of what that family is able to pay to send their child (or children) to Milken.*

**Divorced, Separated, Non-Traditional Families**

Milken maintains a philosophy that requires active participation of a student’s entire family in funding this educational opportunity. These expectations are in effect regardless of any legal agreements between family members, such as alimony agreements, pre-nuptial agreements, divorce, custody, or other similar agreements. In cases of cohabitation, Milken considers the entire household income, whatever the legal status of the family may be. Milken expects parents, guardians, domestic partners, and step-parents to play a critical role in financing a student’s education, and both parties are required to complete the SSS application. Financial Aid decisions are made based on the “total family” basis.

**Non-Working Parents**

Milken assumes that all adult family members will work to contribute to the investment in a Milken education. The committee will impute income for parents or guardians who choose not to work and adjust the EFC accordingly. Families with preschool-aged children or extraordinary
situations should make the committee aware of their circumstances and explain this in the additional notes section of the PFS. Parents returning to school, starting a business venture, or changing jobs as a personal choice must realize that a resulting decrease in their family income will not be underwritten by Milken.

**Under-Employed Parents**
The primary responsibility for financing an education rests with the parents of the students. In many Milken families both parents work in order to maintain income sufficient to support an independent school education for their children. It is unfair to ask these dual employed families to subsidize the educational cost of a family who chooses, for a desired lifestyle, not to work at a level their education and abilities permit.

**Student Assets / Trusts / College Funds / Inheritance**
Savings, investments, trust funds, 529 funds, or other assets in a student’s name or held for a student for any reason, or restricted in any way, are considered available resources for use in funding a student’s education at Milken.

**Multiple Tuition Charging Schools**
If more than one child in a family attends a tuition-charging institution, Milken requires families apply for aid at each of the institutions their children attend. Milken is unable to subsidize tuition for other tuition charging schools of any type, including college. Copies of awards from other institutions are required. Milken will not consider tuition paid for children beyond the undergraduate level such as master’s and doctoral degrees when determining eligibility for aid.

**Home Equity**
The SSS need analysis considers equity a family has in their primary residence, as well as other assets. It is not our intent to expect parents to sell their home or to take home equity to support a child’s education unless the balance of equity is significant. However, if a family has chosen to direct discretionary income toward the acquisition of assets, rather than toward the cost of education, they will be expected to direct a larger portion of current income towards educational expenses.

**Business**
All parents who own a business will be required to upload all current business tax returns. Business owners may also be asked to furnish cash flow statements, balance sheets and any other information relevant to the business. We do not consider business or rental depreciation or loss in the calculation of financial need. Depreciation does not reflect an actual cash disbursement or loss.

**Business Startups**
Milken School will not underwrite a parent’s decision to finance a startup company, and in that same light, we cannot supplement income loss from a business.

**Award Adjustments**
Preliminary financial aid awards are determined and communicated in early February for returning students and in early/mid March for new students. These awards are contingent on receiving current year tax returns as soon as they are available, and those returns corroborating the information previously submitted. For individuals who file an extension, a copy of the extension request must be submitted, with the full taxes uploaded to SSS as soon as they are filed, but no later than the IRS October deadline. Awards will be adjusted or revoked if subsequent information differs materially from estimates provided earlier.

**Frequently Asked Questions:**

*Q: Should I apply for financial aid or not?*
A. First, consider the full cost of an independent school education. If you cannot cover expenses out of income and judicious use of assets, consider your other options, such as tapping home equity or assistance from relatives. If you are counting on gifts from relatives, it is important to discuss with them whether or not they can maintain that help over the course of your child’s attendance at Milken.

*Q: I have a child at Milken who receives aid, and another child applying for admission. Do I need to do anything special?*
A: Yes. You need to take the following steps:
1. Log into the Family Portal
2. Click on Section 2- Applicant Information
3. Click Add applicant at the bottom of the page
4. Fill out applicable required information
5. Click Save and Next
6. Move to Section 3- Non-Applicant Dependent
7. Locate Dependent that has been made a new applicant
8. Click Delete Non-Applicant Dependent
9. Click Save and Next

*Q: What financial sacrifices does Milken expect my family to make when evaluating how much we can afford for tuition and school-related expenses?*
A: It is Milken’s belief that the primary responsibility for financing education rests with families. Our Financial Aid Committee’s goal is to effectively evaluate each family’s financial situation in such a manner that the family realizes some financial sacrifice for a Milken education. We will not provide aid to offset lifestyle choices and expenditures that could have been directed to education, such as luxury cars, second homes, expensive vacations, club memberships, high credit card debt, etc.

*Q: What does SSS do?*
A: SSS uses methodology to compute a family’s ability to pay for educational expenses for all children. SSS is a service provided by the National Association of Independent Schools (NAIS). Many NAIS schools use SSS for financial aid analysis. Please visit www.solutionsbyssss.com for additional information.

*Q: How important is the PFS in the aid process?*
A: The PFS gives us context on the income and expense numbers that we see on tax forms, and helps us understand the family’s overall financial situation. Please take great care in filling out this form – be sure to include and note all sources of income and be as accurate as possible in your answers. Furthermore, the PFS estimate for the upcoming year is an important document for us, as it helps us understand how a family’s financial situation is trending. PFS forms that are filled out inaccurately, or without complete information, can have a detrimental effect on the amount of aid awarded.

Q: What is the range of aid that is awarded?
A: Milken financial aid awards range from a small percentage of the tuition to almost full tuition. All families are expected to pay some portion of tuition and fees.

Q: Do I have to reapply each year for Financial Aid?
A: Yes. Each student’s need is recalculated annually. Therefore, parents are required to complete the application and upload the required documentation each year.

Q: Are students or parents ever asked to take jobs or volunteer at Milken to help pay for tuition?
A: No.

Q: Does financial aid cover school trips and other ancillary costs?
A: Assistance for some school related costs (transportation, Tiferet, annual class trips/Tiyulim, etc.) may be provided. The level of aid for those costs, if provided, will be slightly lower than the level of aid provided for tuition. Aid will not be provided to cover Milken’s annual security fee.

Q: If a parent decides to attend graduate school, how will that choice impact the financial aid award?
A: The Financial Aid Committee expects the parent enrolled in graduate school will continue to earn income and has arranged to fund their education without depending heavily on family resources.

Q: I choose to volunteer at Milken School rather than work. Will that decision impact my financial aid award?
A: The primary responsibility for financing an education rests with the parents of the students. In many Milken families both parents work in order to maintain income sufficient to support an independent school education for their children. As such, volunteering at Milken will not increase a family’s financial aid award.

Q: I am living with someone who is not my child’s biological parent or I am remarried, how will the Financial Aid Committee review my child’s file?
A: We will require financial information from all adults involved in the applicant’s life, including step-parents, significant others, and partners.

Q: What other advice can you provide to help us with the aid process?
A: Applications for financial aid have become more complicated in recent years, as more families have real estate investments, partnerships, S-Corps, and other non-W2 sources of
The more you can do to make your family’s financial situation clear, the easier it is for the committee to provide a fair award. The more discrepancies – between the PFS and tax information, or assets/income missing from the PFS – the more difficult it is to evaluate an application, and the more likely the Committee is to assume a higher ability to pay.

Q: The award amount that we received is not sufficient, is there an appeal process?
A: Yes. Please follow the directions and deadlines.

Q: I still have questions regarding the application process for financial aid. Whom should I contact?
A: Please contact Valerie Shane, Controller, at vshane@milkenschool.org, or call SSS at 1-800-344-8328.
APPENDIX A: NAIS PRINCIPLES OF GOOD PRACTICE FOR FINANCIAL AID ADMINISTRATION

1. The school adheres to all applicable local, state, and federal laws and regulations, including those that require nondiscriminatory practice in administering its financial aid policies.

2. The school operates within the context of both short- and long-range financial aid budget and policy goals.

3. The school uses objective research to measure the effectiveness of its progress towards its goals, and communicates the outcomes to its constituents, as appropriate.

4. The school provides clear and transparent information to families through outreach, education, and guidance on all aspects of its financial aid process and the factors that influence admission and aid eligibility.

5. The school determines eligibility for admission without regard to a student’s application for financial aid.

6. The school commits to providing financial aid dollars to applicants who demonstrate that their family resources are insufficient to meet all or part of the total educational costs.

7. The school continues to provide support to students as long as they demonstrate financial need.

8. The school maintains the same standards of behavior and academic performance for recipients of financial aid as it does for non-recipients.

9. The school enacts documented procedures that ensure a fair, consistent, and equitable assessment of each family’s ability to contribute toward educational expenses.

10. The school makes and communicates financial aid decisions in a manner that allows families to make timely, careful, and fully informed enrollment decisions.

11. The school establishes administrative and accounting procedures that distinguish the school’s need-based financial aid program from tuition assistance programs that are not based on financial need.

12. The school safeguards the confidentiality of financial aid applications, records, and decisions while respecting the right of each family to discuss its own financial aid outcomes in an appropriate manner.

13. The school supports collaboration between the financial aid office and other offices within the school.

14. The school supports collegial relationships with other schools and organizations for professional development, exchange of best practices, and other information sharing, as appropriate.
APPENDIX B: SSS BY NAIS GUIDING PRINCIPLES FOR FAMILIES

1. The family seeks to apply for aid only after it has determined its own resources are insufficient to cover school costs and has exhausted the potential resources and options available to it.

2. The family is proactive in seeking information and answers to questions related to the financial aid process directly from the school(s) to which it is applying.

3. The family is open and honest when completing financial aid applications and when providing any supporting documentation.

4. The family adheres to school deadlines and documentation submission requirements.

5. The family submits true and accurate tax-related documentation, such as the 1040, when required by the school.

6. The family is responsive to school requests for additional information to support the application.

7. The family understands that the school is not obligated to provide financial assistance, even if the family shows eligibility for it.

8. The family is respectful in communications with the school’s financial aid staff and administrators.

9. The family uses school-established channels for disputing or appealing a financial aid decision.

10. The family is discreet about disclosing its financial aid outcomes.

11. The family respects the privacy of other families who choose not to disclose their financial aid details or outcomes.

12. The family works to the best of its ability to arrange its financial resources to pay any determined family contribution in the timeline prescribed by the school.