VGAP Reform

Financial Aid Award Letter Review

2017 VASFAA Conference

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VGAP – current practice / concerns

- Students can remain VGAP-eligible by completing just 12 hours per term, this is a five-year completion plan for a four-year degree:
  - Students following all the rules are on five-year path and will enter final year to graduation without benefit of VGAP.
  - One additional year of experiencing increased costs.
  - One additional year of borrowing.
  - One additional year of giving life events an opportunity to derail a college degree.
  - One additional year of foregone earnings by delaying entry into the workforce.

- Once student is ineligible, they cannot regain eligibility.

- VGAP is only available to students entering as a "dependent."

Code changes

§ 23.1-638. Eligibility; amount of grants; renewals.

A. Only students who (i) are accepted for *full-time* enrollment ~~as dependent students~~ at a public institution of higher education;

Code changes

The following are not changes but are codification of existing law.

B. Each eligible student shall receive such a grant from the institution's appropriations for undergraduate student financial assistance before Commonwealth Award grants are awarded to students with equivalent remaining need.

C. Each eligible student shall receive a grant in an amount greater than Commonwealth Award grants awarded to students with equivalent remaining need.

Code changes

Significant change:

D.   Beginning with first-time students enrolled in the fall semester in 2018, each eligible student shall receive a grant in an amount greater than the grant of each eligible student with equivalent remaining need in the next-lowest class level.

Codification of existing law:

D.   The amount of each grant shall vary according to each student's remaining need and the total of tuition, fees, and other necessary charges, including books. The actual amount of each grant shall be determined by the proportionate award schedule adopted by each institution.

Code changes

Significant change:

F. All grants shall be awarded for one award year and may be renewed annually for no more than three subsequent award years, and students shall not receive subsequent grants until they have satisfied the requirements to move to the next class level. Each recipient may receive a maximum of one year of support per class level for a maximum total of four years of support at a baccalaureate public institution of higher education and a maximum total of two years of support at an associate-degree-granting public institution of higher education, provided that in no case shall a recipient receive more than a combined total of four years of support, if the recipient:

The following is the draft language for amending regulations.

Regulation draft – VGAP before Comma

3. VGAP-eligible students:

a.   Must receive an award before Commonwealth Award-eligible students with equivalent need.

   i.   Within a single award packaging run, VGAP students with the greatest need are awarded first and then Commonwealth Award students with equivalent need; then VGAP students with the second highest level of need then Commonwealth Award students with second highest level of equivalent need; then VGAP students with next highest level of need, and so on.

   ii.   The practical effect is that at the point at which funds are exhausted, the VGAP students at that last level of need to be funded are awarded before Commonwealth Award students at the equivalent level of need.

New VGAP – must advance class level

- Students will receive an award for one year (2 terms of fall and/or spring) at a time. To renew:

  - the student must advance class level (typically 30 credit hours needed) entering into the third semester.

  - 15 hrs fall + 15 hrs spring = 30 hrs

  - 12 hrs fall + 15 hrs spring + 3 hrs summer = 30 hrs

  - 12 hrs fall + 12 hrs spring + 6 hrs summer = 30 hrs

  - May include: courses taken, credit earned from testing, transfer, independent study…

  … **any** combination that results in **advancing class level** entering into the third semester.

Regulation draft – advance class level

Awards may be renewed annually provided that the undergraduate student

8. Has not received more than one year of support before satisfying the requirements to move to the next class level.

    a. Students may receive no more than one year (any combination of two fall and/or spring terms) of support while enrolled within a single class level. Students may receive up to one term of support for summer enrollment in addition to a combination of two fall and spring terms.

Regulation draft – advance class level

b. The hours required to advance class level may be completed in any combination of terms, transfer of credits, or testing out of courses. Examples include completing i) 15 hours in the fall term and 15 hours in the spring; ii) 12 hours fall, 12 hours spring, and six hours summer; and iii) 12 hours fall and 12 hours spring while testing out of six hours, or any other combination that results in the student progressing to the next class level.

c. Students failing to advance class levels after one year of support may be considered for a Commonwealth Award.

Regulation draft – advance class level

d. Students failing advance class level within one year may be considered for a new VGAP award the semester immediately following completion of sufficient credit hours to advance class levels, if they continue to meet all other renewal criteria.

e. Students are restricted to no more than one year of support at each class level. Students advancing class levels before completing one year of award are not granted an extra semester of award.

New VGAP – must receive larger award

- Beginning with entering class of fall 2018
  - Students in a higher class level receive larger awards than students in lower class level:
    - for that year and
    - with equivalent financial need.
  - No requirement set on what that differential must be.
  - The award amount in one year is not required to be related in any way with an award in a prior or subsequent year.
  - Starts with entering class of fall 2018, so effectively there will not be any award differentiation until fall 2019 when Sophomore awards must be larger than Freshman awards, with equivalent need. Add a class each year thereafter.

Regulation draft – larger award amt.

B. Beginning with first-time students enrolled in the fall semester in 2018, each eligible student shall receive a grant in an amount greater than the grant of each eligible student with equivalent remaining need in the next-lowest class level.

1. The annual award differential between the class levels is determined by the institution. When determining the differential, institutions should weigh the available funding and the needs of the overall student enrollment with the amount of differential necessary to incentivize students to progress.

2. The award differential between the class levels can vary from year-to-year.

Regulation draft – larger award amt.

3. The award differential is not based upon the prior year awards for the individual student or student body. Annual awards are based upon the unique circumstances for the individual year, including available funding, student remaining need and, changes in student body financial need.

Regulation draft – larger award amt.

4. The award differential requirement begins with first-time students in fall 2018 and shall be administered as follows:

    a. During the 2018-19 award year, only FR level students are affected so no award differential is required. All other students are grandfathered under prior award amount rules.

    b. During the 2019-20 award year, only FR and SO students are impacted so only the award differential between these two classes is required. All other students are grandfathered under prior award amount rules.

    c. During the 2020-21 award year, FR, SO, and JR students are impacted so only the award differential between FR/SO and SO/JR is required. All other students are grandfathered under prior award amount rules.

    d. During the 2021-22 award year, FR, SO, JR, and SR students are impacted. Fifth year SR students having remaining VGAP eligibility are grandfathered under prior award amount rules.

VGAP – reminders

- Students not meeting the requirements for VGAP may be considered for a Commonwealth Award.

- Students failing VGAP <u>progression</u> requirements now have the opportunity to regain eligibility.

- VGAP currently restricted to "dependent" students only.
  - This requirement is removed effective July 1, 2017.
  - The program can now serve as an incentive to Independent students by rewarding them for progression as well.
    - Single parent students
    - Foster children
    - Homeless youth
    - Adult students

VGAP – next steps

- Regulation updates are in progress. We will send out a copy for institutional review.

- Financial aid offices are encouraged to send concerns and questions to SCHEV staff.

- New regulations anticipated by fall 2017.

Questions

Financial Aid Award Letter Review

New requirement within the Act of Appropriation, Item 144

K. 1. The State Council of Higher Education for Virginia shall work with representatives of the higher education institutions receiving state financial aid or whose students receive tuition assistance grants and review the financial aid award letters utilized by these institutions by November 1, 2017.

- All institutions receiving state financial aid are subject to this review:

    all public institutions and all private non-profit institutions participating in the Virginia Tuition Assistance Grant program.

Financial Aid Award Letter Review

- During this review, the Council shall identify
    - opportunities for improvement as well as
    - best practices

  for, but not limited to,
    - clarity and completeness of the information provided on gift aid as well as
    - student's responsibility regarding student loans or work-study,
    - student's ability to compare financial aid award packages among these institutions to make informed financial choices, and
    - the conditions under which these awards or outstanding balance might change.

Financial Aid Award Letter Review

2. The Council shall then develop and implement award letter policies so that the following information is available to the student

1) a breakdown of the components of the institution's cost of attendance, designating billable charges;

2) a clear identification of each award, indicating the type of aid;

3) the use of standardized terminology consistent with the National Association of Student Financial Aid Administrators (NASFAA); and

4) whether awards are conditional and renewal requirement criteria information.

Financial Aid Award Letter Review

3. The Council shall report its findings and provide a status report on the implementation of the policy and process changes to the House Appropriations and Senate Finance Committees by December 1, 2018.

Process (subject to amendment):
    May: collection of financial aid award letters
    June - August: review and discussion with institutions
    September - October: internal review and draft policies
    November 1: report out completion of review process
    Spring 2018: meetings with institutions to finalize policies
    Summer 2018: final vetting and implementation
    December 1, 2018: report out completion of policies

- How/when letters delivered.

- How students notified of missing information

- Students allowed to "accept" awards for which they are not yet confirmed as eligible

- List of requirements in order to maintain a scholarship.

Costs in the 2017-18 year

Estimated Cost of Attendance — $25,142 /yr
Tuition and Fees	$10,628
Housing and meals (on campus resident)	9,334
Books and supplies	1,016
Transportation	1,786
Other educational costs	2,378

Grants and scholarships to pay for college

Total Grants and Scholarships ("Gift" Aid: no repayment needed) — $17,484 /yr
Grants and Scholarships from your school	$7,792
Federal Pell Grant	5,920
Grants from your state	3,772
Other scholarships you can use	0

What you will pay for college

Net Costs — $7,658 /yr
(Cost of attendance minus total grants and scholarships)

Work options

Work-Study (Federal, state or institutional) — $2,030 /yr

Loan Options *

Total Federal Loans (Must be repaid) — $5,500 /yr
Federal Direct Subsidized Loan	$3,500
Federal Direct Unsubsidized Loan	2,000

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

Other options

Family Contribution — $2,158 /yr
(As calculated by the institution using information reported on the FAFSA or to your institution)

- Payment plan offered by the institution
- Parent or Graduate PLUS Loan
- American Opportunity Tax Credit *
- Military and/or National Service benefits
- Non-Federal private education loan

* Parents or students may qualify to receive up to $2,500 by claiming the American Opportunity Tax Credit on their tax return during the following calendar year.

NOTE: The "Family Contribution" above is not the Expected Family Contribution (EFC) from the FAFSA. Instead, this figure is calculated from the Cost of Attendance minus all aid other than Work-Study to show the difference between aid offered and the estimated educational costs this year.

This award package is based on estimated costs, estimated expenses and estimated available funds. The awards are tentative and subject to revision based on actual funding.

Graduation Rate
Percentage of full-time students who graduate within 6 years
82.4%
Low	Medium	High

Repayment Rate
Percentage of borrowers entering repayment within 3 years of leaving school

85%
43.6% National Average

Median Borrowing
Students who borrow at
typically take out $20,500 in Federal loans for their undergraduate study. The Federal loan payment over 10 years for this amount is approximately $210.39 per month. Your borrowing may be different.

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

STATE COUNCIL OF HIGHER EDUCATION FOR VIRGINIA

Thank you!