

## VASFAA Electronic Board Meeting: Thursday, September 12, 2019

Attendees: Tina Russell, Ashley Reich, Tawana French, Sherika Charity, Jackie Cottom, Brad Scaggs, Scott Morrison, Marc Vernon, Joan Zanders

Not in Attendance: Elayne Peloquin

Board meeting was called to order at 9:32am by President, Brad Scaggs.

A quorum was established at 9:45am and the electronic meeting began.

Brad Scaggs opened the meeting for discussion and presented a letter of VSFAP recommendations to present to SCHEV, on behalf of VASFAA, submitted by Brad Barnett and a committee made up of Beth Armstrong, Laurie Owens, Tina Russell, Marc Vernon, Tim Saulnier, and Sarah Doheny.

- Scott Morrison brought forth two recommendations below:

### Page 1

- Change ***“our state grant program”*** to the ***“VSFAP state grant program”***
- Change ***“One State Grant Award”*** to ***“One VSFAP Award”***

REASON: VSFAP is not the only Virginia state grant program. Students receive Virginia Tuition Assistance Grants (VTAG or TAG) at private institutions.

### Page 2

- Change the first sentence under Recommendation to:

***“We recommend VSFAP eligibility be based on the Expected Family Contribution (EFC) from the Free Application for Federal Student Aid (FAFSA).”***

REASON: The current wording allows for two awarding models (Remaining Need or EFC) which would result in lack of a standard approach between schools.

- Brad Scaggs recommended wording changes on page 2,3 and 5.
- Joan Zanders approved the letter, with edits.
- Tina Russell recommended that schools be given the option to choose between the current model and the EFC based model.
- Scott Morrison rescinded his recommendation to change the verbiage on page 2.
- Marc Vernon agreed with Scott and Brad’s recommendations.
- Jackie Cottom indicated that she is in favor of the recommendations and edits.
- Ashley Reich indicated that her school does not award VSFAP and had no specific recommendations related to the program, but did agree with the wording changes that are needed.
- Sherika Charity agreed with the edits given by Brad and Scott and that schools should have the option between Remaining Need and EFC.
- Tawana French agreed with the recommendations.

Final Letter with edits highlighted in yellow below:

---

September 9, 2019

SCHEV

Attention: Lee Andes  
101 N. 14th Street, 10th Floor  
James Monroe Building  
Richmond, VA 2321

Dear Mr. Andes,

On behalf of the Virginia Association of Student Financial Aid Administrators (VASFAA), which represents over 400 financial aid administrators within the Commonwealth of Virginia, I'm writing to outline some challenges in serving students under the current configuration of the Virginia Student Financial Assistance Program (VSFAP).

As practicing financial aid administrators, we see firsthand the benefits of the two grants provided under VSFAP, the Virginia Guaranteed Assistance Program (VGAP) and the Commonwealth Award. Thousands of needy students are able to reach their higher education goals in large part due to the assistance of these grants. With that said, there are also some challenges that unintentionally create roadblocks and confusion. Our hope is that this letter will explain what they are, as well as provide recommendations for improving the VSFAP state grant program.

### **One VSFAP Award**

#### **Current Regulations:**

As outlined above, VSFAP is comprised of two programs, VGAP and the Commonwealth Award. While they are both part of VSFAP, the regulations governing how these funds are administered differ in many ways. Unfortunately, in our experience, no matter how much consumer information we provide to students regarding the differences in these two programs, there seems to be little understanding on their part.

While VGAP may be intended, in part, to incentivize students to progress through school at a faster rate, thus rewarding them with a higher grant award than what they can receive from the Commonwealth Award, we do not believe this serves as the motivation for which it is intended. The primary reason is because our experience shows us that most students do not pay attention to the information disseminated to them about this. By and large, the questions we receive from students are generally about receiving a "state grant," with little to no distinction between the programs or any references to higher awards for faster completion.

The reality is that students do not memorize the rules surrounding each of the various aid programs (federal, state, institutional, and/or private), and it's generally upon losing an award that they ask questions about getting it back, versus memorizing the rules to receive higher awards. It's not uncommon for a student to lose VGAP eligibility as a result of not paying attention to the rules associated with the program.

#### **Recommendation:**

We believe one VSFAP award versus the two programs we have now would be much easier for students to understand. A single grant with easily understandable rules and regulations would provide the opportunity for students to better comprehend the process. Thus, our recommendation is to eliminate VGAP as it stands, and create a single Commonwealth Award, with a simpler option for increased awards to promote progression. This will be explained later.

#### **Benefits to the Student:**

- Easier to understand.
- Removes unintended consequences associated with loss of VGAP due to a lack of understanding of the regulations.
- Simpler to predict future awards based on rules associated with a single program.
- Improved branding and name recognition of state grant assistance.

## **Remaining Need and EFC Chart**

### **Current Regulations:**

The current regulations state VSFAP must be awarded based on Remaining Need, which is defined as “Cost of Attendance – EFC – Federal Gift Aid – State Gift Aid – Known Institutional Gift Aid at the Time of Awarding = Remaining Need”. Frankly, this is difficult to explain to students and parents, as “Remaining Need” is a figure that can change on an annual basis, or even during the year. Additionally, it’s important to note that two students with the same EFC (financial need level) could have very different financial aid packages simply based on what other institutional gift aid may be known about at the time their VSFAP award is calculated. Essentially, the timing of when an award is made plays a role in overall VSFAP eligibility.

An example is when we are working with prospective students and providing preliminary financial aid award letters for their attendance at our institution. Using the Remaining Need calculation, we may very well be providing a VSFAP award that is different from what a final award will be, particularly in the case when academic departments on campus may not have concluded the process of awarding their institutional scholarships at that point in time. Additionally, if a student enquires about a potential VSFAP award for current or future years, it is challenging to provide them with an accurate answer “on the spot” due to all of the variables that change within the Remaining Need calculation.

### **Recommendation:**

We recommend an alternative calculation be available to schools who choose to use it, and that would be establishing a student’s VSFAP eligibility based on the Expected Family Contribution (EFC) from the Free Application for Federal Student Aid (FAFSA). This would work much like the Federal Pell Grant program. With the Pell Grant, we can look at a student’s EFC and tell him/her what the award will be based on full-time enrollment, three-quarter time enrollment, half-time enrollment, and if applicable, less than half-time enrollment. The award is outlined on a chart associated with the EFC.

Currently, institutions must annually report their institutional packaging policy for awarding VSFAP under a Remaining Need model to SCHEV on the S5. We propose institutions opting to create an EFC chart for awarding VSFAP would use the same S5 process for reporting this methodology to SCHEV. In both cases, the policies are institutionally developed and reported to SCHEV via the same tool.

As it stands, the EFC from the FAFSA must be used in the Remaining Need calculation. This recommendation would be consistent in having that figure as part of the eligibility determination of the award and would keep it “need-based,” but it will greatly simplify the process for current and prospective students in understanding their VSFAP eligibility.

This EFC chart for the purposes of awarding VSFAP would be institutionally developed, so much like Remaining Need, institutions will have the flexibility to set award amounts for their students. Due to our different student populations and the decentralized process in how VSFAP dollars are allocated to institutions, it will be important to retain this flexibility.

An example of a benefit of using an EFC chart is a student with a \$0 EFC, which is the highest level of a need a student can have. With an institutional EFC chart, we can tell a student exactly what his/her Federal Pell Grant and VSFAP will be, without having to do any other calculations.

### **Benefits to the Student:**

- Easier to understand.
- Increased predictability of award.
- More easily obtainable information about federal and state grant eligibility.
- Consistency in how the EFC is used in determining overall grant eligibility.

## **Progression Bonus**

### Current Regulations:

Currently, the Commonwealth Award does not include any regulations governing awards amounts as it relates to grade level progression; however, VGAP does. Students can only receive one VGAP award per grade level, which on the surface would seem to promote progression. However, as mentioned earlier, it is our experience that no matter how many communications we send students, the majority of them do not appear to understand the way this program works. This is especially true when their financial aid package is comprised of multiple aid programs, all with different rules. Is it reasonable to expect an undergraduate student to have all of the rules and regulations associated with the Federal Pell Grant, Federal Supplemental Educational Opportunity Grant, VGAP, Commonwealth Award, Federal Work-study, Direct Subsidized Loans, Direct Unsubsidized Loans, College Transfer Grant, and all of the other various aid programs memorized? The more unique, and complex rules there are in each of the aid programs, the less likely it is for a student to understand what needs to be done to maintain eligibility and/or secure the highest awards possible.

The prior rule (before progression was implemented) of capping VGAP at eight semesters serves a similar purpose to the current progression rules. Eight full-time semesters is indicative of four years of enrollment for an undergraduate degree. The current grade progression rule supports one award per grade level, which ideally would be eight semesters and four years of enrollment.

When students lose VGAP under the prior rule or progression rule, they revert to the Commonwealth Award. In other words, the prior rule and progression rule serve the same purpose with the same outcome of moving a student to the Commonwealth Award when VGAP eligibility is lost when they have received VGAP for four years or one award per grade level (four years). The progression rule is more complex, primarily due to issues surrounding mid-year grade level progressions. Under the progression rule, students can go in and out of VGAP eligibility in the middle of an academic year, thus increasing and decreasing their grants throughout the year.

### Recommendation:

The intention of the progression rules is to encourage students to take enough hours to graduate in four years or less, and we fully support this. Our recommendations below are for a new progression model that we believe will be more easily **understandable understood** by students, with a clearer opportunity to promote progression.

Under a single Commonwealth Award program, we would retain that grant and all of the current rules. Nothing changes with this grant, so students could still receive an award on a part-time basis or full-time basis. VGAP would be eliminated with all funds shifting to the Commonwealth Award. In place of VGAP, schools would have the ability to provide a Commonwealth Award Bonus to students who meet the three criteria below:

1. Eligible to receive the Commonwealth Award.
  - o This means basic grant eligibility would all be tied to Commonwealth Award rules.
2. Completed at least 30 credit hours the prior award year.
  - o The consideration of how AP, Dual Enrollment, and/or transfer credits would be addressed in regulation.
  - o We don't want to state that students must have taken 15 credit hours in the fall and spring term to qualify for the bonus, as there are multiple terms within an award year (e.g., summer, fall, winter, spring) and students could accumulate 30 credit hours between classes taken in all these terms.
3. Currently enrolled on a full-time basis.
  - o While students can accumulate 30 credit hours between multiple terms in an award year, we do want to encourage full-time enrollment in the term for which they are receiving the Commonwealth Award Bonus award.

The Commonwealth Award Bonus would be available for three years, encouraging completion of a degree in four years. An example would look like this:

- Student is a freshmen (first year) and receives the Commonwealth Award at a semester based school.
- Between the summer, fall, and spring term, the student earns 30 credit hours in the freshman year.
- In the second year (sophomore), the student continues to be Commonwealth Award eligible based on the eligibility determination for that year.
- The student is enrolled on a full-time basis in the second year.

- Because the student earned 30 credit hours the prior year and is enrolled full-time, the student also receives a Commonwealth Award Bonus on top of the regular award.

If a student does not complete 30 credit hours the prior year, but is eligible for the Commonwealth Award in the subsequent year, then the student will receive that grant under those rules as we are not proposing any changes to that program. However, the student would not receive the bonus award that year. With that said, if the student does not meet the bonus criteria in one year, the bonus can be earned in subsequent years by meeting the requirements in the future.

Removing the VGAP program and replacing it with the Commonwealth Award Bonus options provides a simpler process. From a marketing perspective, we believe it will be easier to explain to students the rules associated with a “bonus,” rather than the current rules associated with receiving aid from a different program (VGAP) under a different set of rules. It will also keep students from going in and out of the Commonwealth Award and VGAP eligibility during an award year, which is a challenge with the current progression rules. For example, under the current system students could receive VGAP and then lose it due to a lack of progression. Their entire award will change and be reduced. Under this recommendation, students could continue to receive their base Commonwealth Award regardless of progression, and then receive a bonus if they meet progression standards. This provides more consistency in the base awards and clarity in potential increases due to progression.

Under the existing decentralized VSFAP system, institutions would continue to establish their own Commonwealth Award amounts. This would also be extended to the Commonwealth Award Bonus.

#### Benefits to the Student:

- Encourages progression by providing bonuses for completion of hours without concentrating on grade levels.
- Simplifies the process for students to understand retaining a base award in future semesters/years.
- Allows some predictability in future awards by having a single Commonwealth Award serving as the base grant.

### Tier Structure

#### Current Regulations:

VGAP awards must be greater at each progressive grade level. For example, a sophomore at the same Remaining Need level as a freshman must receive a higher VGAP award than the freshman student. Additionally, a VGAP eligible student with the same level of Remaining Need as a Commonwealth Award eligible student must receive a higher grant award. The tier structure has created multiple challenges in serving students, including unintentionally impacting the Commonwealth Awards.

One challenge with this structure is funding. As it currently stands, institutions do not receive enough VSFAP to provide grant awards to all financially eligible students. With the required tier structure, that generally means grants to first year students have to be reduced in order to ensure funding is available for higher award amounts as students progress. This creates an access issue for first time students who are seeing smaller grant awards than upperclassmen.

Another challenge is with the Commonwealth Award. With four different tiers of VGAP awards, and the before mentioned rules associated with lower Commonwealth Awards, institutions have a couple of options to consider.

- The first is to have a corresponding tier system for awarding Commonwealth Awards at each grade level. This option would create four different tiers for both programs, increasing the overall complexity and lack of understanding on the part of students.
- The second option is to reduce the Commonwealth Awards to be lower than the freshman VGAP award (the lowest tier), ensuring these awards will be lower at every subsequent grade level. This creates five different tiers, and can significantly reduce a Commonwealth Award to an upperclassmen.

Lastly, a student at any grade level with a specific amount of need has that same need regardless of his or her standing. In other words, a freshman with a \$10,000 Remaining Need and a senior with a \$10,000 Remaining Need

both have the same financial needs. The grade level makes no difference. A freshman without access to the same amount of grant dollars as a senior may need to look towards borrowing to make up the difference in the lost grants, thus taking on loan debt that might otherwise be avoided.

Recommendation:

Remove the tier structure. Moving to a single state grant (i.e., Commonwealth Award) as discussed earlier would be preferable. If that does not happen and VGAP is retained, then our recommendation would still be to remove the tier structure.

Benefits to the Student:

- Easier to understand.
- More predictability in award amounts.
- Allows institutions to consistently fund student need at all grade levels.
- Reduces dependence on borrowing to account for smaller grants at lower grade levels.

I would like to thank you for taking the time to review this letter. Please do not hesitate to let me know if you would like to discuss any of our recommendations. I can be reached [at brad34@vt.edu](mailto:brad34@vt.edu).

Sincerely,

**Brad Scaggs**  
**2019-2020 VASFAA President**

---

Scott Morrison agreed with the recommendations and motioned to approve the letter as edited. Marc Vernon seconded the motion. 7 yays and no one opposed. Motion carried.

Tina made a motion to adjourn to meeting at 10:16am. Motion seconded by Ashley Reich. No one opposed. Motion carried.

Meeting adjourned at 10:19am.