

SENATE OF VIRGINIA

Senate Finance Committee

College Access and Affordability

November 15, 2012



SENATE FINANCE COMMITTEE

Higher Education in Virginia – A Snapshot

- Virginia's **public higher education** system is the 12th largest in the country based on enrollment. The system includes:
 - 15 four-year institutions;
 - 23 community colleges with 40 campuses;
 - One two-year college;
 - Four regional higher education centers;
 - One institution focused mainly on research and graduate education;
 - Over 413,000 students.
- Virginia has **38 private non-profit institutions** of higher education.
 - Over 122,000 students.
- Virginia has **83 private for-profit institutions** of higher education.
 - Over 104,000 students.



Selected Restructuring Goals and Measures

Goal	Measure	Reporting (A= Annual, B= Biennial)
Access	In-State Enrollment	A
	Underrepresented enrollment	A
	Degree awards	A
Affordability	Affordability	A
	Need-based borrowing	B
	Tuition assessment	B
Retention & Graduation	Retention rate	A
	Degrees per FTE students	A
Articulation and Dual Enrollment	Transfer agreements	B
	Degree transfers	A
	Dual enrollment	A
Economic Development	Economic Development	B
Research	Research expenditures	A
	Patents and licenses	B
K-12 Education	K-12 partnerships	B
Six-year Financial Plan	Suspended in 2009	Other
Meet Financial and Administrative Standards	Secretaries of Finance, Admin., and IT	Other
Campus Safety and Security	Campus Safety and Security	B



Virginia Higher Education Opportunity Act of 2011

Purposes Listed in TJ 21:

- | | |
|---|---|
| 1. Ensure affordable access; | 6. Enhance the security and economic competitiveness of the US; |
| 2. Take advantage of the link between higher education and economic growth; | 7. Enhance the VA higher education system through reform-based investment; |
| 3. Confer approximately 100,000 cumulative additional undergraduate degrees on Virginians partially by improving graduation and retention rates and increasing degree completion; | 8. Establish a funding framework that provides stable funding and planning, incentives for increased enrollment, need-based aid for low-income and middle-income students, incentives to promote innovation, and relieves tuition pressure; |
| 4. Increase degree attainment, especially in STEM; | 9. Recognize the unique mission and contributions of the institutions; and |
| 5. Promote university-based research; | 10. Realize enhanced benefits from more autonomy under Restructuring. |



Affordability and Status of Higher Education

- State funding reductions to higher education have been substantial; additional funding has been provided but is not yet back to 2008 levels.
 - In the 2012 Session, around \$200 million GF was restored to higher education.
 - Higher education GF operating appropriations are still roughly \$150 million below the FY 2007 appropriation.
- Tuition increases have backfilled a portion of these reductions.
 - Institutions have responded to pressure to keep tuition and fee increases low, at an average increase of 4.5 percent this year.
- The extent to which tuition and fee dollars have been used to fund the education of in-state undergraduate students has increased dramatically.
- This de facto placing of the majority of the needed funding on parents and students has only exacerbated the need for dealing with financial aid and the overall funding of the higher education system.



Current Environment: Transition and Demographic Shifts

- The interplay between this environment and the economy have placed the higher education system at a crossroads, or a period of transition.
 - Some of the factors contributing to the situation: increasing tuition, the housing bubble, declining endowments, the difficulty of raising need-based aid from private sources, auxiliary enterprise fees, and the push to modernize and use technology.
- The TJ 21 legislation established a goal of an additional 100,000 degrees to be achieved by 2025.
 - High school graduation projection demographics suggest shifts that will provide some challenges and further increase the need for financial aid and/or subsidization of higher education.
 - To achieve the 100,000 degree goal will require greater participation by first-time, low-income students.
 - Need-based aid plays a critical role in providing access.
- Increasing the number of degrees while containing costs in higher education will be difficult to do without additional investment.



Presentation Outline

- *Affordability Definitions and Indicators*
- Financial Aid Overview
- Policy Discussion and Recommendations



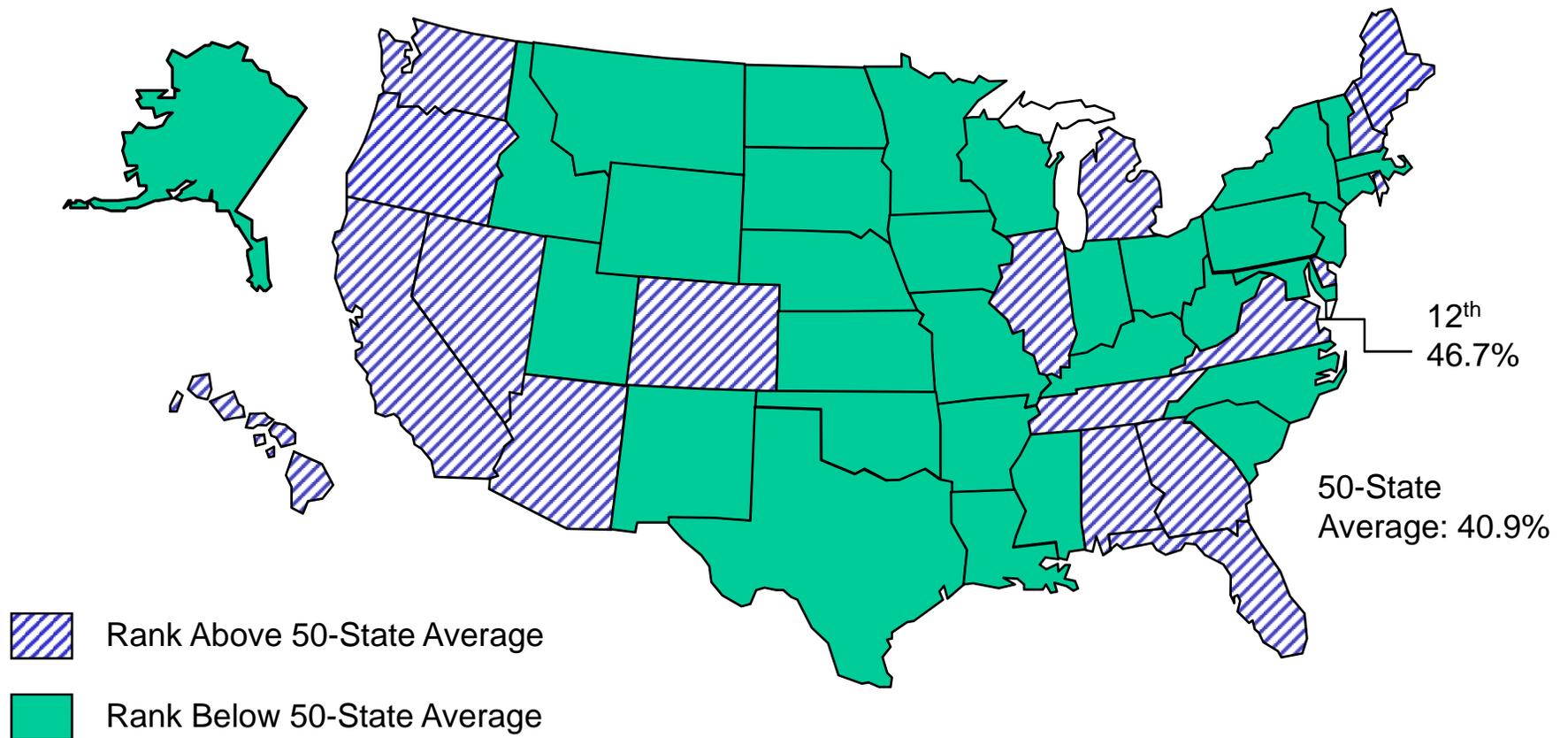
Cost versus Price and Affordability versus Value

- Definitions:
 - *Cost: Total appropriations divided by total students.*
 - *Sticker Price: Includes tuition and fees, room and board, books and supplies, transportation, and personal expenses.*
 - *Net Price: Sticker price minus gift aid (federal, state, institutions, and other including grants, scholarships, any aid that doesn't need to be repaid).*
- *Affordability: Believed to be within one's financial means. Applies to students, state and federal governments, and institutions.*
- *Value: Relative worth, merit, or importance. Can be individual and public.*
- State policymakers will have to decide on a definition of affordability to achieve desired goals based on a mixture of appropriate policies – this will include the weighing of public good versus that of individuals.



Average Annual In-State Tuition and Fees Growth Rate at Public Four-Year Institutions

2006-2007 to 2011-2012

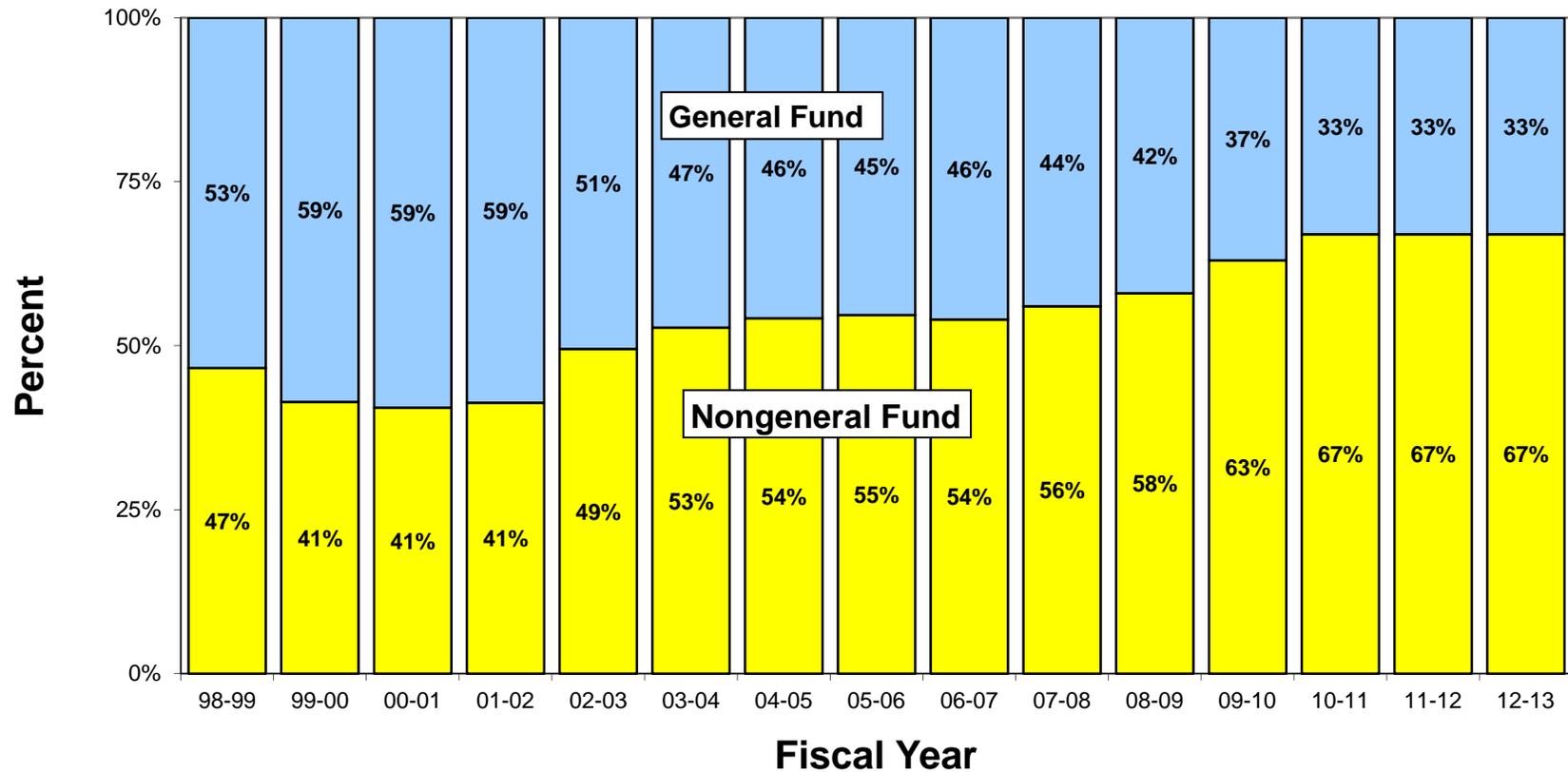


Source: JLARC, *College Board Annual Survey of Colleges*, 2011; US Bureau of Labor Statistics.



State Share of Funding Has Declined

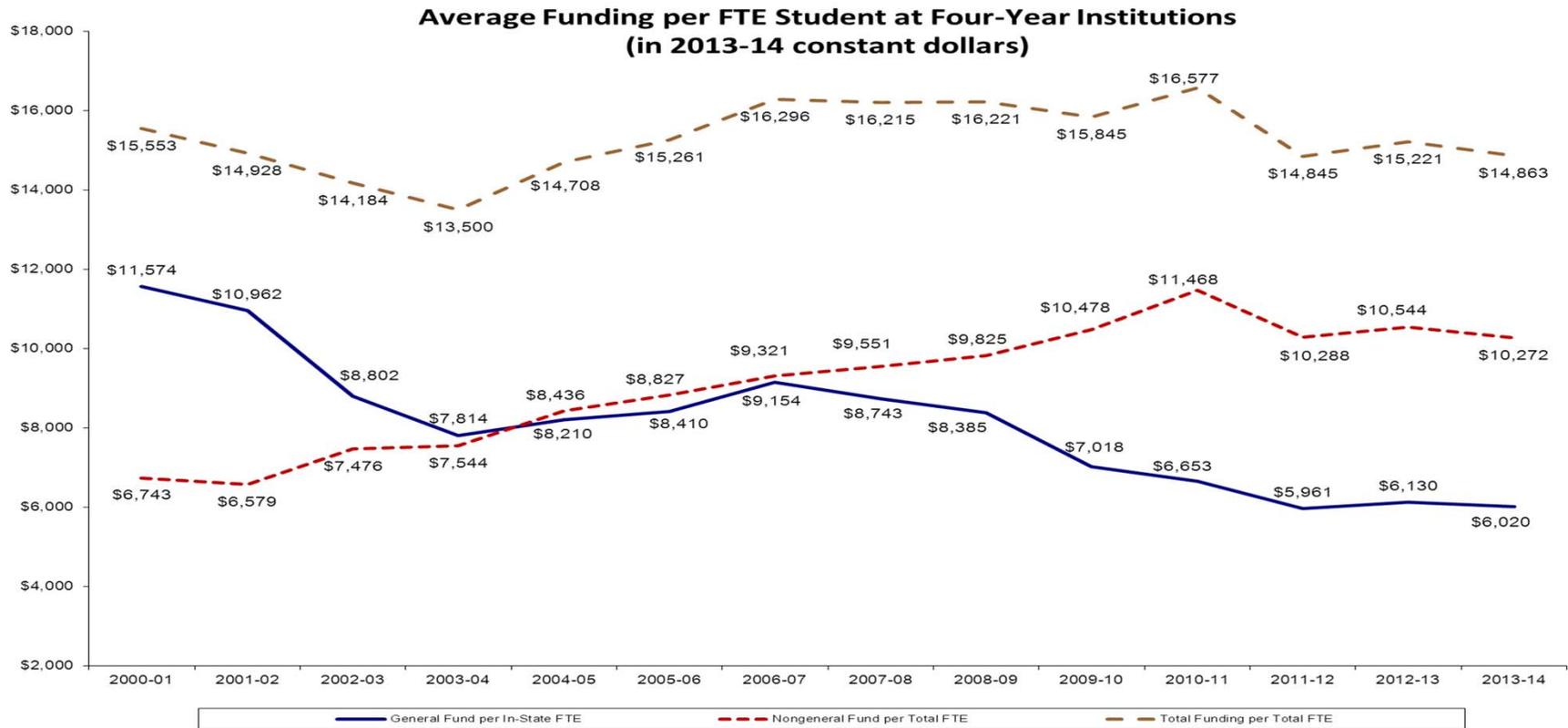
State Share of E&G Funding Over Time
FY 1999 - FY 2013



SCHEV Data, 2012.



Indicators of Affordability



Source: SCHEV data, 2012.

- Total funding per FTE has remained fairly stable (top line).
 - The declining GF per FTE support and the corresponding increase in the NGF per FTE demonstrates the shift in cost from the state to students and families.



Fees for Non-Instructional Programs Impact Cost

Average Non-E&G Fee Charge by Category for Auxiliary Programs

Category	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	% change
Athletic	\$565	\$608	\$621	\$670	\$737	\$789	\$858	\$900	\$928	\$943	\$966	71%
Debt Service	\$220	\$233	\$269	\$308	\$318	\$285	\$466	\$578	\$650	\$818	\$799	264%
Facilities/Building	\$281	\$273	\$269	\$282	\$265	\$265	\$265	\$301	\$273	\$280	\$274	-2%
Health Service	\$153	\$158	\$166	\$177	\$192	\$204	\$213	\$210	\$207	\$214	\$218	43%
Student Activity/union	\$223	\$234	\$238	\$259	\$314	\$330	\$309	\$311	\$307	\$319	\$332	49%
Transportation	\$60	\$58	\$61	\$64	\$77	\$71	\$83	\$91	\$93	\$103	\$105	76%
Other	\$215	\$229	\$235	\$242	\$236	\$226	\$217	\$227	\$235	\$268	\$281	30%

Source: SCHEV data, 2012.

- Various auxiliary fee increases have contributed to the increasing cost of higher education.
- The Appropriation Act continues to limit the permissible increase in mandatory non-E&G fees to no more than 5% annually (exceptions are permitted if institutions set fees higher to support state-mandated wage and salary increases, and/or funding for non-educational capital projects approved by the legislature).
- The impact of these fees on affordability has not been fully examined.



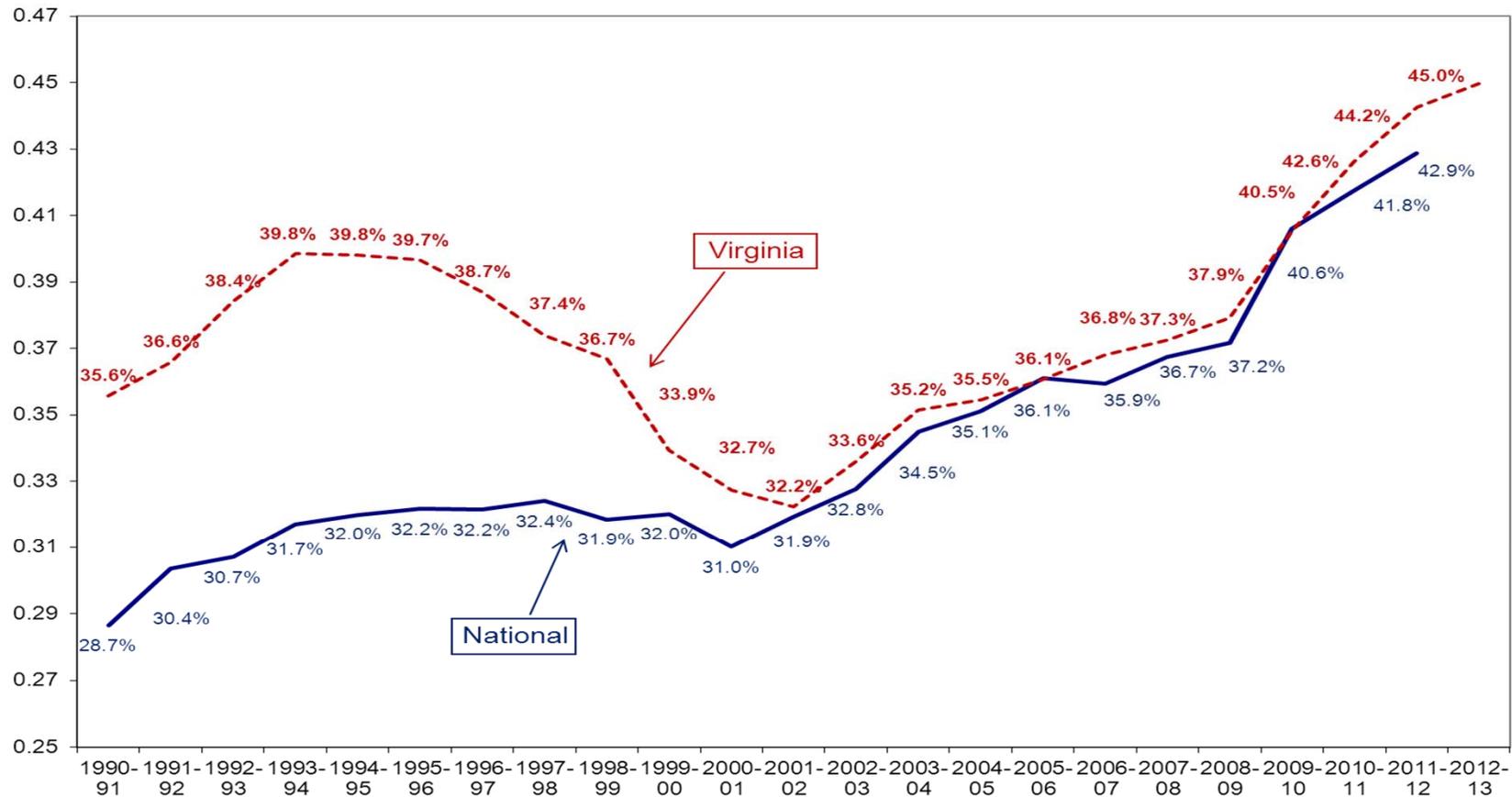
Financial Aid and Debt: Growing Issues as Tuition Continues to Rise

- College costs continue to out-pace inflation as tuition and fees rise. Funding for financial aid has not kept pace.
 - Some relief has been provided in the form of expanded federal Pell Grants and tuition tax credits, but some of these have expired.
 - Most institutions use some portion of tuition to provide aid.
- Nationally, students and parents increasingly rely on debt to finance higher education.
- Rising costs have increased the percentage of per capita disposable income necessary to pay total resident undergraduate charges.
 - Costs for an in-state undergraduate student living on campus at a four-year institution averages 45 percent of disposable per capita income, the highest percentage on record (see chart on next slide).
- **Institutions and SCHEV report that a larger number of students are qualifying for aid (see slide 15).**



Rising Costs Have Increased the Percentage of Disposable Income Needed to Pay for College

Average Public 4-Year Total Undergraduate Charges
As a Percent of Per Capita Disposable Income



Note: Cost includes tuition and mandatory fees, and room and board.

Source: College Board, US Bureau of Economic Analysis, and SCHEV.



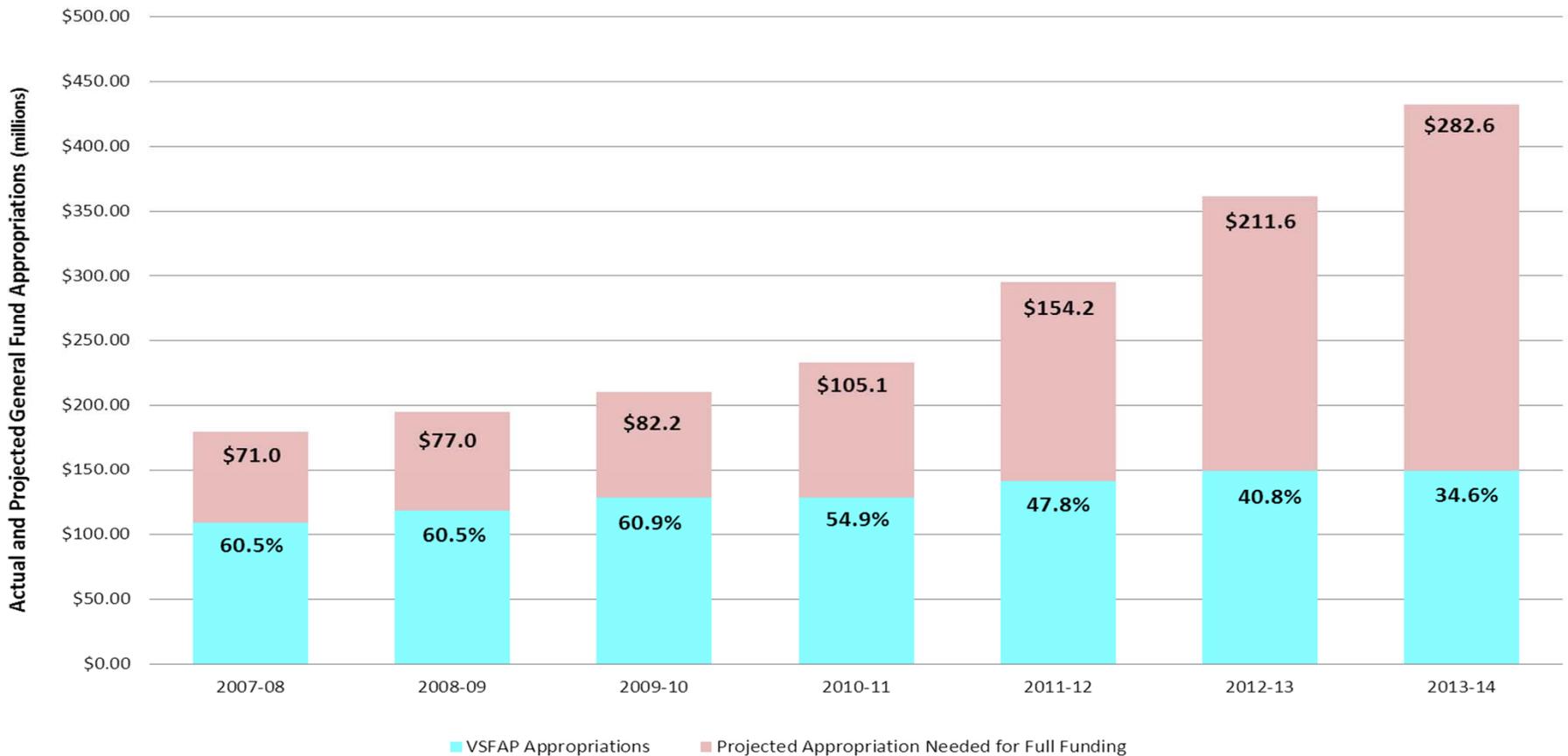
Financial Aid: Not Keeping Pace Even with Lower Tuition Increases

- SCHEV makes recommendations annually for the Virginia Student Financial Assistance Program.
 - A Partnership Model, adopted in 2006, is used to allocate the funds to the institutions for the majority of the in-state undergraduate awards.
 - For FY 2012, funding is at 47.8 percent of the Model.
 - For FY 2013, funding is at 40.8 percent of the Model.
- SCHEV has recommended funding of \$26.9 million GF in FY 2014 for need-based financial aid (using the Partnership Model).
 - Additional funding would help meet the needs of more than 117,000 additional eligible students, an increase of 15.6 percent in students demonstrating need over the previous year. The increase between FY 2012 and FY 2013 was 27 percent.
 - Increasing educational costs and declining family resources are contributing to the demand for need-based aid.



Need Met for Virginia In-State Students Under Financial Aid is Declining

Virginia Student Financial Assistance Program Appropriations (in millions) and Percent Projected Need Met - FY 2008 to FY 2014



Source: SCHEV data, 2012.



Debt Burden is Increasing

- In 2009, the average debt for graduates of Virginia's four-year public and private non-profit institutions was \$19,918, ranking 12th from the lowest among the states.
 - The percentage of students graduating with debt in this year was 57%.
- In 2011, the average debt for graduates of Virginia's four-year public and private non-profit institutions was \$24,717, ranking 27th from the lowest among the states.
 - The percentage of students graduating with debt in this year was 59%.
 - Of the top 20 low and high debt colleges – Virginia has one low debt college: Ferrum College with an average debt level of \$9,313.
- Examining college debt levels will continue to be an important issue, especially if higher unemployment rates are sustained.



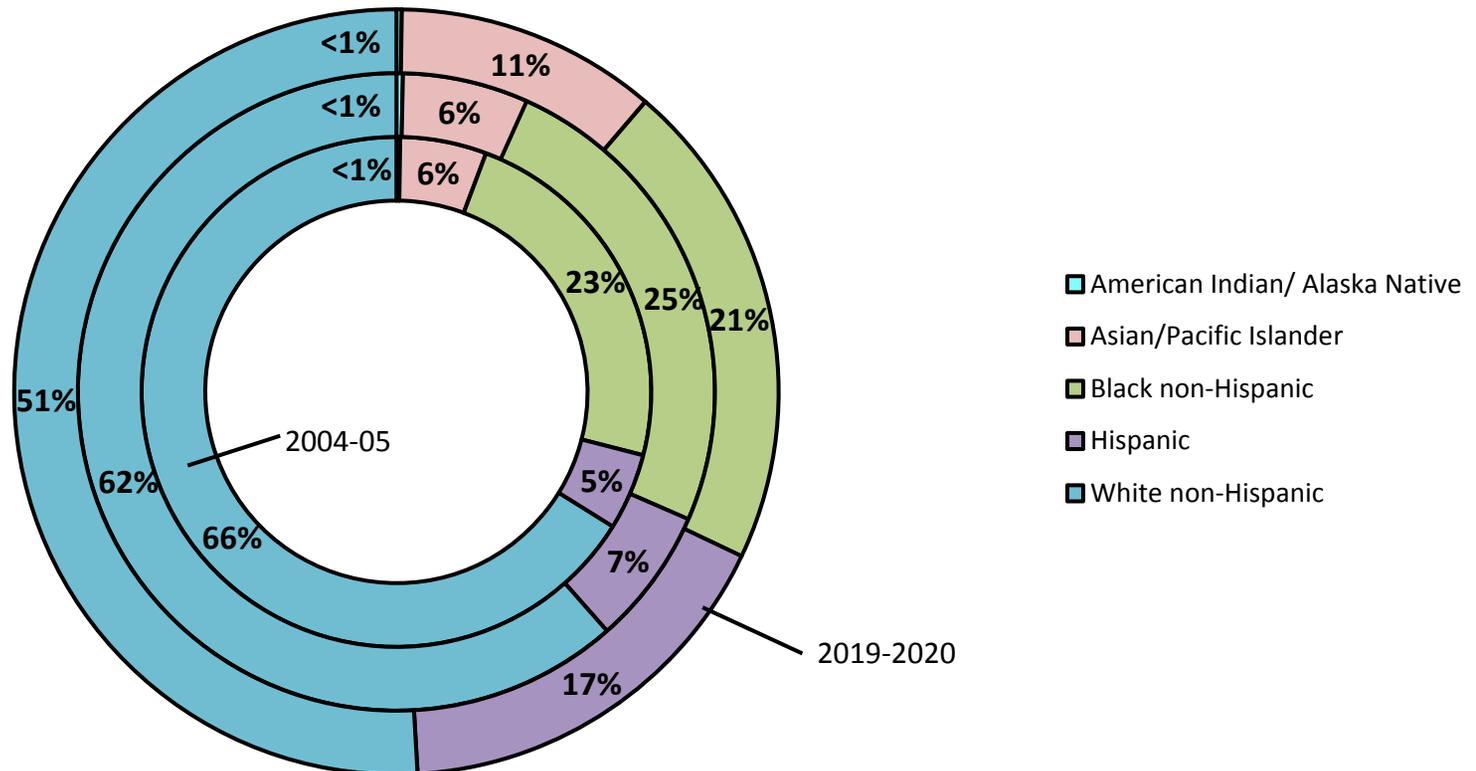
Percentage of Hispanic High School Graduates will Increase

- The Western Interstate Commission for Higher Education (WICHE) examined high school graduates and future projections in 2008.
 - Virginia had 28.5 percent growth in the number of high school graduates from 1991-1992 to 2004-05 (last year of actual data).
 - Projections suggest growth will be stagnant and dip by 4.1% from 2008-09 to 2014-15.
 - After 2014-15, Virginia will see some growth.
 - The trends by race/ethnic composition, however, are poised to begin some major shifts.
- Nationally, the largest future gains in high school graduates will be among minority populations.
 - In Virginia, this growth will primarily be driven by the Hispanic population.
 - This growth has potential implications on the amount of aid needed and the type of aid that would be beneficial.
 - By FY 2020, Virginia is projected to experience a decline in the white non-Hispanic and the black non-Hispanic high school graduate populations.
 - During that same period, Virginia is projected to see a 10 percent increase in the number of Hispanic high school graduates.



Changing Composition of High School Graduates

Virginia Public High School Graduates by Race/Ethnicity
2004-05 (Actual), 2009-10 and 2019-2020 (Projected)



Western Interstate Commission for Higher Education (WICHE), *Knocking at the College Door*, Data Files and Summaries, March 2008.



What the Demographic Shifts Mean for Degrees and Aid

- College completion rates for Hispanic or Latino students are not improving and are less than non-Hispanic peers.
- **Barriers to completion cited by Latinos include: affordability, family and work obligations, and a lack of information about financial aid and college life.**
 - *About 50 percent of Latinos who enroll in college are the first in their family to do so, and one-third of Latino undergraduates continue to live at home while they attend college.*
 - Less likely to assume loans, more likely to attend part-time, and more likely to work part-or full-time.
- NCSL recommended strategies that work to encourage Latino success:
 - *Inform all students and families about financial aid options, expand college preparation programs in high schools and support services in colleges.*
 - *Preserve need-based financial aid programs and sustain investments in work-study programs.*
 - *Learn from the success of Hispanic-serving institutions, particularly in family engagement.*
 - *Recognize that community colleges are the entry point for many Latino students.*
 - *Simplify transfer and articulation agreements between community colleges and four-year universities.*

National Conference of State Legislatures (NCSL) , *Ensuring Latino Success in College and the Workplace and Investing in Higher Education for Latinos: Trends in Latino College Access and Success*, July 2011 and April 2012.



Additional Need-Based Aid and Targeted Initiatives Will be Necessary

- The goal of an additional 100,000 degrees by 2025 has been stated and additional goals related to access and affordability exist.
 - Grow by Degrees campaign touts:
 - *“Affordable access to a high-impact college degree is now among Virginia’s top policy and budget priorities.”*
 - To achieve this growth in degrees, Virginia will need to focus on the success of its Hispanic population.
- Public colleges and universities will likely need to focus on:
 - Increased demand for need-based aid.
 - Ability to target the type of aid including the use of work-study programs.
 - Focusing on success initiatives and educational outreach programs.
 - Examination of programs related to graduation and retention.



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- Affordability Definitions and Indicators
- Financial Aid Overview*
- Policy Discussion and Recommendations



Types of Aid

- Undergraduate financial aid generally falls into the following categories: grants and scholarships, loans, work-study jobs, and tax benefits.
- Aid can come from the federal government, state of residence, college or institution of attendance, and nonprofit or private organizations.
- Need-based aid generally requires that parents and students fill out the Free Application for Federal Student Aid (FAFSA) which uses a formula called the Federal Methodology (FM).
 - FM determines the estimated family contribution (EFC) which is used for eligibility for the Pell Grant and other forms of need-based aid.
 - Some types of aid (i.e. subsidized Stafford Loans) are also dependent on cost of attendance (COA) defined as:
 - *The calculated cost of attending the institution, which includes transportation, room/board, tuition/fees, supplies, books and other expenses. COA is then used to determine eligibility for financial aid.*



Federal Aid Types

- Pell Grants
- SEOG
- TEACH
- Iraq/Afgan. Service Grant

Grants

- Perkins Loan
- Direct Subsidized
- Direct Unsubsidized
- PLUS Loan (Parents)
- PLUS Loan (Graduate Students)

Loans

- Fed. government program that provides students with part-time employment
- Colleges may also have their own programs

Work-Study

- Amer. Opport. Credit
- Lifetime Learning Credit
- Coverdell Edu. Sav. Acct.
- 529 Plans
- Stud. Loan Int. Deduction
- IRA Withdrawals

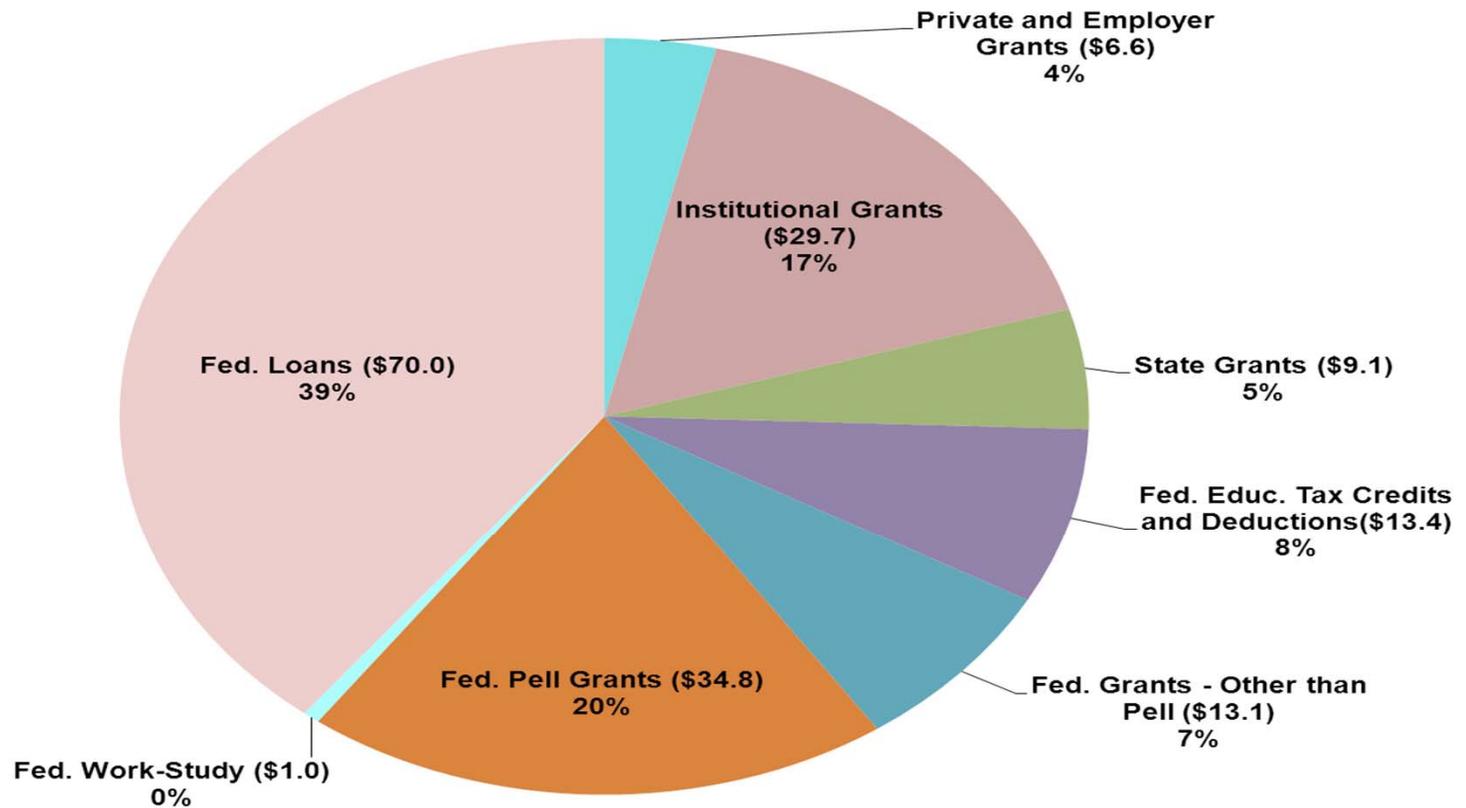
Tax Benefits

See the Appendix for a more detailed description of these programs on slides 40-42.



Source and Type of Undergraduate Aid

Undergraduate Student Aid, 2010-11 (in Billions)
Total, \$177.6 Billion

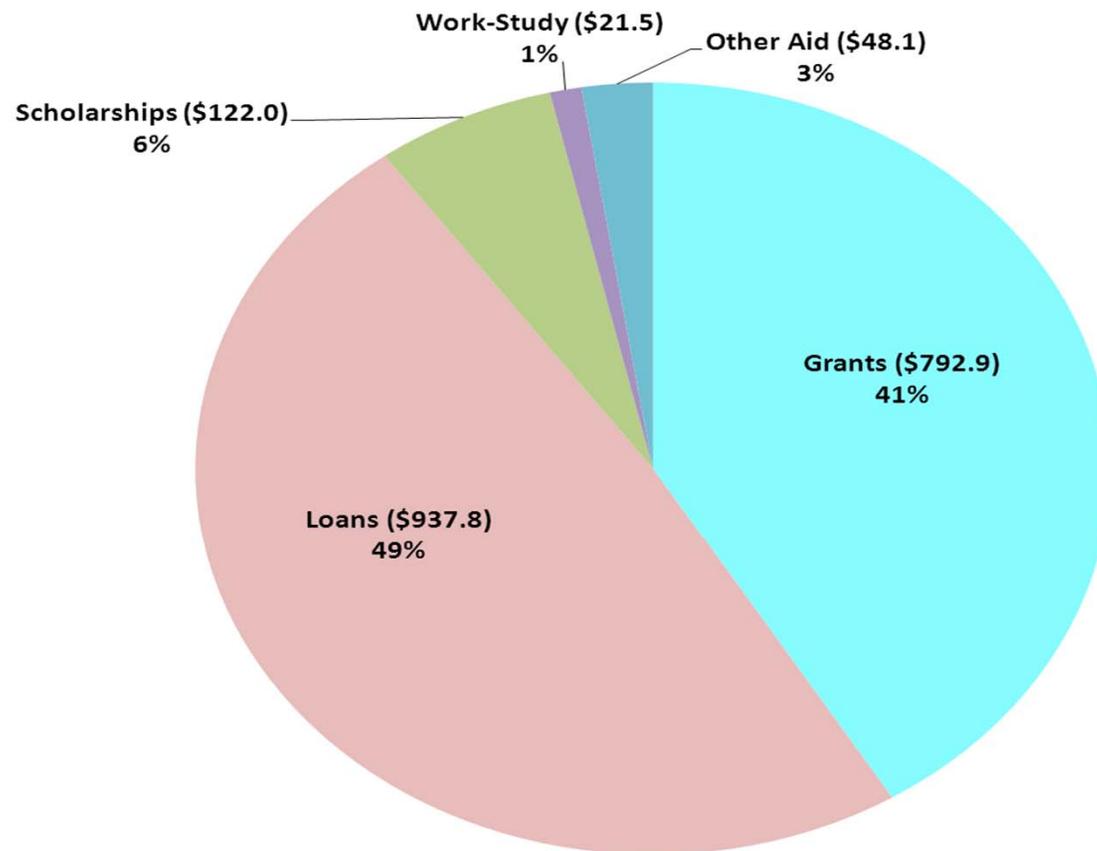


Trends in Student Aid, 2011, College Board Advocacy and Policy Center.



Virginia Public Institutions - Source and Type of Undergraduate Aid

Virginia Public Institutions Undergraduate Student Aid, 2010-11 (in Millions)
Total, \$1,931.1 Million

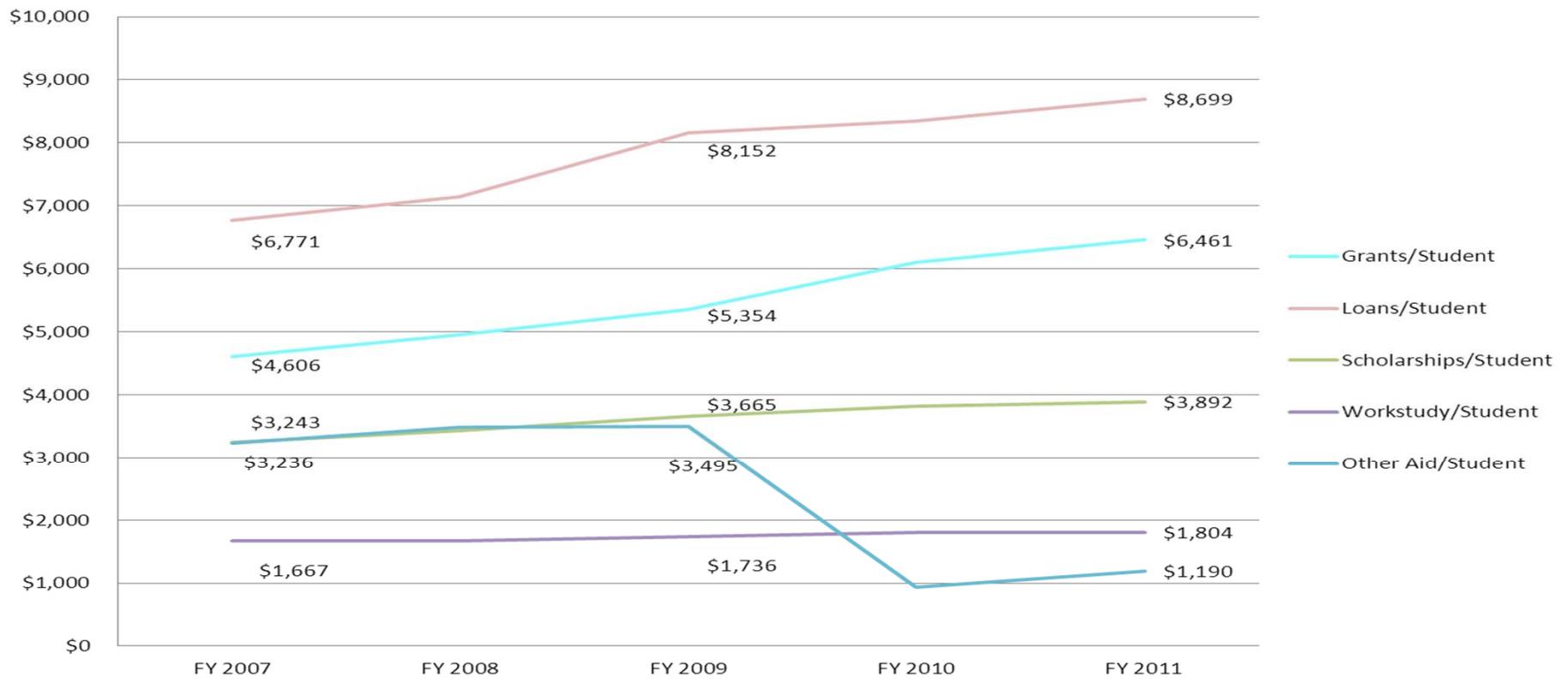


FA16: Financial Aid Awards by Type, 2010-2011, SCHEV data October 2012.



Virginia Financial Aid Trends

Virginia Public Four-Year Institutions Financial Aid Type per Unique Student - FY 2007 - FY 2011



SCHEV Website Data for Report FA16, October 2012.



Selected Virginia Aid Programs

Program	Details	Amount, Time
Commonwealth Award	<ul style="list-style-type: none"> Resident undergraduates with financial need are eligible and may also be awarded to graduate students to pay part of their college costs. Undergraduates must be enrolled at least half-time and be a citizen while graduate students must be full-time. 	<ul style="list-style-type: none"> Awards vary by institution and are subject to available funding.
VA Guarant. Assist. Program	<ul style="list-style-type: none"> Be admitted into a Virginia public college or university and enrolled full-time in an approved program; Be a domiciliary resident of Virginia and a citizen or eligible non-citizen; Demonstrate financial need as determined by the institution; Graduate from a Virginia high school or complete an approved home school program; Have at least a cumulative high school grade point average of 2.5 on a 4.0 scale; Home school students must achieve SAT verbal & math combined score of at least 900 or ACT Comp. score of at least 19; & Classified as a dependent student for federal financial aid purposes. 	<ul style="list-style-type: none"> Actual awards vary by institution; students found to be in the neediest category will receive awards of at least tuition. Maximum award is the cost of tuition, required fees, and a book allowance.
Two-Year Transfer Grant	<ul style="list-style-type: none"> Under this program, grants shall be made to or on behalf of eligible Virginia domiciles who (i) have received an associate degree at a Virginia two-year public institution of higher education, (ii) have enrolled in a Virginia four-year public or private institution of higher education by the fall following the award of the associate degree, (iii) have applied for financial aid, and (iv) have financial need, defined by an Expected Family Contribution (EFC) of no more than \$9,000 as calculated by the federal government using the family's financial information reported on the Free Application for Federal Student Aid (FAFSA) form. Only students who maintained a cumulative grade point average of at least 3.0 on a scale of 4.0 or its equivalent while enrolled in an associate degree program at a Virginia two-year public institution of higher education shall be eligible to receive a grant under this chapter. 	<ul style="list-style-type: none"> Awards are \$1,000 per year. An additional \$1,000 per year shall be provided to those students pursuing undergraduate collegiate work in engineering, mathematics, nursing, teaching, or science.
College Scholarship Assist. Program	<ul style="list-style-type: none"> Grant program established in 1973 to assist students with extreme financial need in Virginia's public and participating private colleges and universities. To be eligible students must be admitted into a Virginia public two or four year college or university, or a participating Virginia private non-profit four year college or university; be enrolled at least half-time in an approved degree, certificate, or diploma program; be a citizen or eligible non-citizen of the U.S.; be a domiciliary resident of Virginia as defined by the <i>Code of Virginia</i> §23-7.4; not have received assistance for more than the normal length of time required to complete the particular undergraduate degree program in which the student is enrolled; meet the satisfactory progress standards of the institution for federal student aid programs; have a computed Expected Family Contribution that is less than one-half of the total cost of attendance; meet all federal requirements set forth in federal laws and regulations which apply to Title IV Programs (1965 Higher Education Act, as amended; see below); and not be enrolled in a program leading to a second associate or bachelor degree. 	<p>Between \$400 and \$5,000 depending on need and funds.</p>
Tuition Assistance Grant Program (TAG)	<ul style="list-style-type: none"> Be a domiciliary resident of Virginia and enrolled full-time as an undergraduate, graduate, or professional student; Be enrolled at an eligible institution pursuing an eligible degree, not in religious training or theological education; & Beginning in 2009-10, eligible graduate programs are limited to those in a health-related professional program, designated by the 51 series of programs under the NCES Classification of Instruct. Programs. 	<p>Up to \$2,800 Undergraduate and up to \$1,300 Graduate for FY 2013 award.</p>

Virginia Need-Based Aid Calculation

- Virginia Student Financial Assistance Programs (VSFAP)
 - VSFAP Formula
Cost of Attendance (COA) – 30% COA – EFC – Gift Aid = Student Need
 - *After building the COA for each individual student, SCHEV's current funding model, known as the Partnership Model, reduces the COA by 30 percent. This reduction acknowledges that there is an amount of the COA that is "not the state's responsibility" and that there are many partners that have an interest in supporting higher education, including federal and state governments, businesses, private organizations, and students' family.*
 - If student need exceeds tuition and fees, then the award amount is reduced to tuition and fees.



Examples of Students and Financial Aid

Example 1:

6 in family, 1 in college from Richmond, VA

COA \$24,584 (lives with parents)

- EFC \$0

financial need \$24,584

Pell \$5,550

state aid \$4,000

remaining need \$15,034

direct subsidized loan \$3,500

unsubsidized loan \$2,000

(dependent student) \$9,534

Remaining
Need After
Loans

Example 2:

4 in family, 1 in college from Richmond, VA

COA \$24,261 (lives off campus)

- EFC \$10,931

financial need \$13,330

Pell \$0

state grant \$0

remaining need \$13,330

direct subsidized loan \$5,500

unsubsidized loan \$5,000

(independent student) \$2,830

Remaining
Need After
Loans

Aid package
consists of
loans only

- At many institutions, few students would have all of their need for aid met.



Presentation Outline

- ❑ **Affordability Definitions and Indicators**
- ❑ **Financial Aid Overview**
- ***Policy Discussion and Recommendations***



Virginia Affordability Summary

- Federal Aid might undergo some significant changes following federal budget deliberations.
- Changes to state need-based aid may be proposed.
- SCHEV recommendations are based on the Partnership Model which drives resources to institutions with the most needy students.
 - October Council recommendation is for an additional \$26.9 million GF in FY 2014.
- Financial aid resources from the State have not kept pace with inflation and tuition increases. Although tuition increases were lower for this fiscal year, the percentage of aid that the state is meeting continued to decline.
 - Keeping tuition low for all families will not provide access for underrepresented populations.
- Funding per FTE in constant dollars has been relatively steady. State funding has decreased per FTE, shifting costs to parents and students.



Policy Discussions and Recommendations

- Higher Education Advisory Committee (HEAC) previously provided some definitions for middle- and low-income students.
 - HEAC financial aid workgroup met this year to provide recommendations.
 - Recommendations being considered include:
 - High School Partnerships
 - Parent Education Plan
 - First-Year Experience Programs
 - Student Persistence Initiatives
 - Satisfactory Academic Progress
 - Other policy discussions include:
 - Credit-hour incentives
 - Career services/counseling requirements
 - Tuition discounting for high-risk students
 - Work-study programs
 - Guaranteed tuition programs
 - Electronic courses and textbooks



Policy Discussions and Recommendations

- Old Dominion University (ODU) funded a \$500,000 work-study program for this academic year.
 - ODU states that the research suggests that some work actually improves retention for many students.
- Virginia Community College System (VCCS) has partnered with the Western Governors University (WGU) to allow nursing students to get a bachelor's degree in nursing in three years at an estimated total cost of \$17,000 in tuition and fees.
- Many of the higher education institutions have proposed initiatives in their six-year plans concerning retention efforts.
 - Best practices should come from programs piloted through funding.
 - Retention efforts are important to ensure progression towards a degree.
- Other best practices should be examined related to success for Hispanic/Latino and other underserved populations.



Options for Consideration

- Consider how to invest aid to help ensure that state goals are being met, getting the best return on investment.
 - One example is completion.
 - West Virginia's Promise Scholarship requires students to complete 30 credits per year to renew. This resulted in an increase in the number of credits earned after four years.
- Support for lower cost options.
 - Increase popularity of community colleges and support for transfer grants.
- SCHEV recommends the following parameters regarding the use of general tuition revenue for student financial aid:
 1. *In-state student tuition will not subsidize out-of-state students.*
 2. *Students receiving this aid must be making satisfactory academic progress.*
 3. *Awards made to students should be based primarily on financial need.*
 4. *Institutions are encouraged to make larger awards to students taking the number of credit hours necessary to complete a degree in a timely manner.*
 5. *SCHEV and institutions should work cooperatively to refine and improve the reporting of this approach to providing financial aid.*



A Fundamental Policy Debate Exists Regarding Tuition and Need-Based Aid

- Some policymakers have stated a preference for lower tuition for all students and families versus increased need-based financial aid.
 - There has been a concern for the middle-class and a feeling that lower-income families have more access to federal grant aid.
 - During the 2012 budget conference:
 - The House budget **eliminated all new funding for need-based aid** and kept language that limited the use of additional tuition and fee dollars that could be used for aid.
 - The Senate budget provided additional funding for need-based aid.
 - Colleges currently do offer aid to some middle class families and use tuition revenue to provide aid.
 - **It will be difficult to expand need-based aid programs without first addressing the large funding gap that currently exists.**
- This issue will continue to be one of debate between policymakers.



Potential Issues for the 2013 Session and Beyond

- Is 100,000 degrees the right number and are the right job/degree areas being targeted? Will aid be available to help achieve this goal?
- SCHEV recommendations would require substantial funding increases. Will funding be available?
- There may be proposals to make substantial changes to financial aid. Will the Session allow for enough time to make meaningful changes?
- During the 2012 Session, Senate negotiators maintained that institutions should not be prohibited from using tuition for aid since the state has not provided enough need-based aid and that it is difficult to raise this type of aid from private donors.
- **Is a longer evaluation of affordability policies needed to determine where funding priorities should be?**
- JLARC higher education efficiency study due to be reported in 2013 and 2014.



Appendix



Summary of SCHEV Recommendations General Fund - FY 2014

Institution	Fac Sal	O&M	Equity	BA	Cost of Education	Enrollment Funding	Financial Aid	Incentives	Total
CNU	203,607	588,473	-	233,784	1,025,864	170,500	563,156		1,759,520
CWM	420,872	16,503	171,046	-	608,421	230,330	203,990		1,042,741
GMU	1,107,656	523,875	923,078	-	2,554,609	1,018,395	3,313,884		6,886,888
JMU	725,651	149,657	-	499,796	1,375,104	1,236,900	942,843		3,554,847
LU	173,222	58,781	-	359,871	591,874	250,299	586,843		1,429,016
UMW	221,728	-	-	353,329	575,057	223,880	445,226		1,244,163
NSU	149,608	91,304	-	387,410	628,322	911,400	949,350		2,489,072
ODU	609,633	201,979	-	7,082,303	7,893,915	1,472,500	3,185,001		12,551,416
RU	331,777	136,177	-	645,305	1,113,259	1,289,600	1,326,999		3,729,858
UVA	1,155,972	366,344	551,868	-	2,074,184	362,700	273,168		2,710,052
UVAW	64,748	-	-	134,726	199,474	103,061	368,379		670,914
VCU	1,214,450	1,174,164	-	2,541,646	4,930,260	1,212,989	3,677,187		9,820,436
VMI	68,925	38,042	35,776	-	142,743	67,731	149,351		359,825
VSU	170,771	51,612	85,196	-	307,579	225,749	1,276,444		1,809,772
VT	1,491,484	1,614,333	-	2,245,805	5,351,622	1,130,802	2,606,059		9,088,483
RBC	24,286	-	-	64,686	88,972	48,542	154,892		292,406
VCCS	2,110,530	4,517,498	-	8,410,194	15,038,222	5,197,908	6,935,053		27,171,183
All Institution	10,244,920	9,528,742	1,766,964	22,958,855	44,499,481	15,153,286	26,957,825	20,000,000	106,610,592
VIMS	108,051				108,051				108,051
VSU-ext	32,158				32,158				32,158
VT-ext	394,125	651,214			1,045,339				1,045,339
EVMS				890,412	890,412				890,412
Total	10,779,254	10,179,956	1,766,964	23,849,267	46,575,441	15,153,286	26,957,825	20,000,000	108,686,552

Source: SCHEV staff, November 2012.



Federal Grant Aid

Type	Program Name	Details	Amount, Time
Federal Grant Aid	Pell Grants	<ul style="list-style-type: none"> Awarded to students with financial need that do not have bachelor's or graduate degree, uses EFC, and does not depend on institution charges. 	Up to \$5,500, Maximum 12 Semesters
	Fed. Suppl. Educational Opportunity Grants	<ul style="list-style-type: none"> Awarded to students with exceptional financial need that do not have bachelor's or graduate degree. Pell grant recipients have priority. College participation and funds vary, distributed to institutions via a complex formula, institution allocates to students with need, and first-come/first-serve. 	Up to \$4,000
	Teacher Educ. Assistance for College and Higher Educ. Grants	<ul style="list-style-type: none"> For undergraduates, post-baccalaureate, or graduate students to take coursework to become an elementary or secondary teacher. Must serve at least 4 years in a high-need field in a school that serves low-income students. College must participant, academic requirements. Failure to complete service agreement will result in the grant being converted into a loan. 	Up to \$4,000
	Iraq and Afghanistan Service Grants	<ul style="list-style-type: none"> Parent or guardian must have died performing military service in Iraq or Afghanistan after 9/11. Ineligible for Pell grant due to having less financial need than required. At time of parent's death must have been less than 24 or enrolled at least part-time. 	Up to \$5,550



Federal Loans

Type	Program Name	Details	Amount, Time
Federal Loan Programs	Perkins Loan	<ul style="list-style-type: none"> Awards depend upon exceptional need and availability of funds at select college. Interest at 5%. College is the lender. 	Undergraduate up to \$5,500, Graduate up to \$8,000
	Direct Subsidized Loan	<ul style="list-style-type: none"> Undergraduates that are enrolled at least half-time and have need are eligible. 3.4% interest for loans in FY 13. No interest charged while in school or during deferment. US DOE is the lender. 	Between \$3,500 and \$5,500 depending on year in school
	Direct Unsubsidized Loan	<ul style="list-style-type: none"> Undergraduate & graduate students that are enrolled at least half-time are eligible. 6.8% interest. Students must pay interest at all times. From the award must subtract any subsidized loan amount. US DOE is the lender. 	Between \$5,500 and \$20,500 depending on year in school, dependency status
	Direct PLUS Loan, Parents	<ul style="list-style-type: none"> For parents of dependent students that are enrolled half-time. 7.9% interest. Parent may not have a negative credit history and must pay interest at all times. US DOE is the lender. 	Up to \$5,550
	Direct PLUS Loan for Graduate, Prof. Students	<ul style="list-style-type: none"> Graduate students that are enrolled at least half-time are eligible. Annual max. unsubsidized Stafford Loan should be requested first. 7.9% interest. Student may not have a negative credit history and must pay interest at all times. US DOE is the lender. 	Max. is COA minus other financial aid received



Federal Work-Study and Tax Benefits

- Federal work-study dollars are provided to higher education institutions that are participating in the Federal Work-Study Program and:
 - Provide funding for part-time employment to undergraduate, graduate, and professional students that are enrolled and that demonstrate need.
 - Is available to full- and part-time students.
- Federal Tax Benefits:

Program	Description
American Opportunity Credit	Claim up to \$2,500 per student per year for four years toward a degree or credential.
Lifetime Learning Credit	Claim up to \$2,000 per student per year for college or career school tuition and fees, books, supplies, and/or equipment purchased for the course from the school.
Coverdell Educ. Savings Account	Can put up to \$2,000 per year aside for a student's education expenses.
529 Plans	Can prepay or save for education-related expenses. The money can be withdrawn and not be taxed once the student is in college or career school.
Student Loan Interest Deduction	Can take a deduction on your income taxes for student loan interest for you, your spouse or your dependent. Maximum deduction is \$2,500 per year.
IRA Withdrawals	Can withdraw funds for you, a spouse, a child, or grandchild for higher education expenses. You will owe taxes on the funds but there will be no early withdrawal penalty.



Tuition Assistance Grants

- Tuition Assistance Grant (TAG) awards are for students attending non-profit, private institutions in Virginia and are not need-based.
- Designed to make private, non-profit colleges in Virginia a more affordable option.
 - Funding of roughly \$58 million was provided for FY 2013 and is projected to provide assistance to over 22,000 students.
 - Average undergraduate awards for FY 2013 are expected to be \$2,800.
 - Average graduate/professional awards (health-related) for FY 2013 are expected to be \$1,300.
- SCHEV is recommending an increase to \$3,100 for undergraduate awards and \$1,800 for graduate awards for FY 2014.
 - Projected to serve over 22,600 students in fall 2014.

Students Receiving TAG Total Private, NonProfit, Four-year Institutions 2010-11	
Students with Need	16,908
Students without Need	3,096
Students who did not Apply for Aid	2,089

Students Receiving TAG Total Private, NonProfit, Four-year Institutions 2010-11 Student Family Income	
\$0 to \$50,000	8,772
\$50,000 to \$100,000	6,020
Greater than \$100,000	5,211

SCHEV data, October 2012.



Tuition Revenue Used for In-State Student Aid

		Total tuition	In-state tuition	In-state aid	% of Total	% of In-state
CWM	2010-11	100,625,038	37,255,945	5,013,104	5.0%	13.5%
	2011-12	108,107,632	40,747,423	7,226,043	6.7%	17.7%
	2012-13	112,740,000	42,919,107	7,865,397	7.0%	18.3%
LU	2010-11	26,948,467	23,256,043	1,134,589	4.2%	4.9%
	2011-12	29,762,617	25,860,103	1,504,145	5.1%	5.8%
	2012-13	30,744,029	26,519,976	1,326,751	4.3%	5.0%
NSU	2010-11	32,313,774	16,820,020	1,496,206	4.6%	8.9%
	2011-12	33,454,386	18,452,427	1,561,228	4.7%	8.5%
	2012-13	35,486,586	17,055,336	1,561,500	4.4%	9.2%
RU	2010-11	49,923,103	41,490,395	2,849,520	5.7%	6.9%
	2011-12	56,637,033	47,937,347	1,923,465	3.4%	4.0%
	2012-13	58,718,644	49,631,274	1,923,465	3.3%	3.9%
UVA	2010-11	399,733,000	152,003,000	9,438,459	2.4%	6.2%
	2011-12	433,364,000	167,159,000	21,117,000	4.9%	12.6%
	2012-13	454,501,000	174,675,000	26,460,000	5.8%	15.1%
VCU	2010-11	268,622,366	192,452,580	8,228,871	3.1%	4.3%
	2011-12	290,539,944	209,113,393	8,305,659	2.9%	4.0%
	2012-13	295,728,248	208,012,756	10,082,234	3.4%	4.8%
VT	2010-11	312,229,629	164,520,209	5,434,340	1.7%	3.3%
	2011-12	332,655,960	177,936,720	7,234,788	2.2%	4.1%
	2012-13	348,457,085	183,937,638	7,875,315	2.3%	4.3%
VSU	2010-11	36,510,288	16,844,153	1,467,824	4.0%	8.7%
	2011-12	38,833,912	17,725,027	1,411,834	3.6%	8.0%
	2012-13	42,761,279	17,975,989	2,458,993	5.8%	13.7%
4-Year	2010-11	1,824,148,985	1,004,432,847	43,096,049	2.4%	4.3%
	2011-12	1,971,688,009	1,098,418,091	60,047,884	3.0%	5.5%
	2012-13	2,064,593,300	1,145,306,660	70,042,523	3.4%	6.1%
RBC	2010-11	3,527,810	3,398,359	50,000	1.4%	1.5%
	2011-12	3,557,536	3,312,349	60,000	1.7%	1.8%
	2012-13	3,994,000	3,750,000	60,000	1.5%	1.6%
VCCS	2010-11				NA	NA
	2011-12	490,823,238	441,650,176	-	0.0%	0.0%
	2012-13	524,476,043	468,548,805	-	0.0%	0.0%
Total	2010-11	1,827,676,795	1,007,831,206	43,146,049	2.4%	4.3%
	2011-12	2,466,068,783	1,543,380,616	60,107,884	2.4%	3.9%
	2012-13	2,593,063,343	1,617,605,465	70,102,523	2.7%	4.3%

- Institutions also use tuition revenue to varying degrees to fund aid programs.
- Tuition revenue for student financial aid for in-state students (undergraduate and graduate) from institutions' six-year plans.
- Selected institutions for those with number above the average for % of total.
- During the 2012 Session, proposed policies would have limited the use of tuition revenue for financial aid.

SCHEV data for selected institutions, October 2012.

