



Student Financial Assistance
Workshops 2012

STATE NEED GRANT

AGENDA



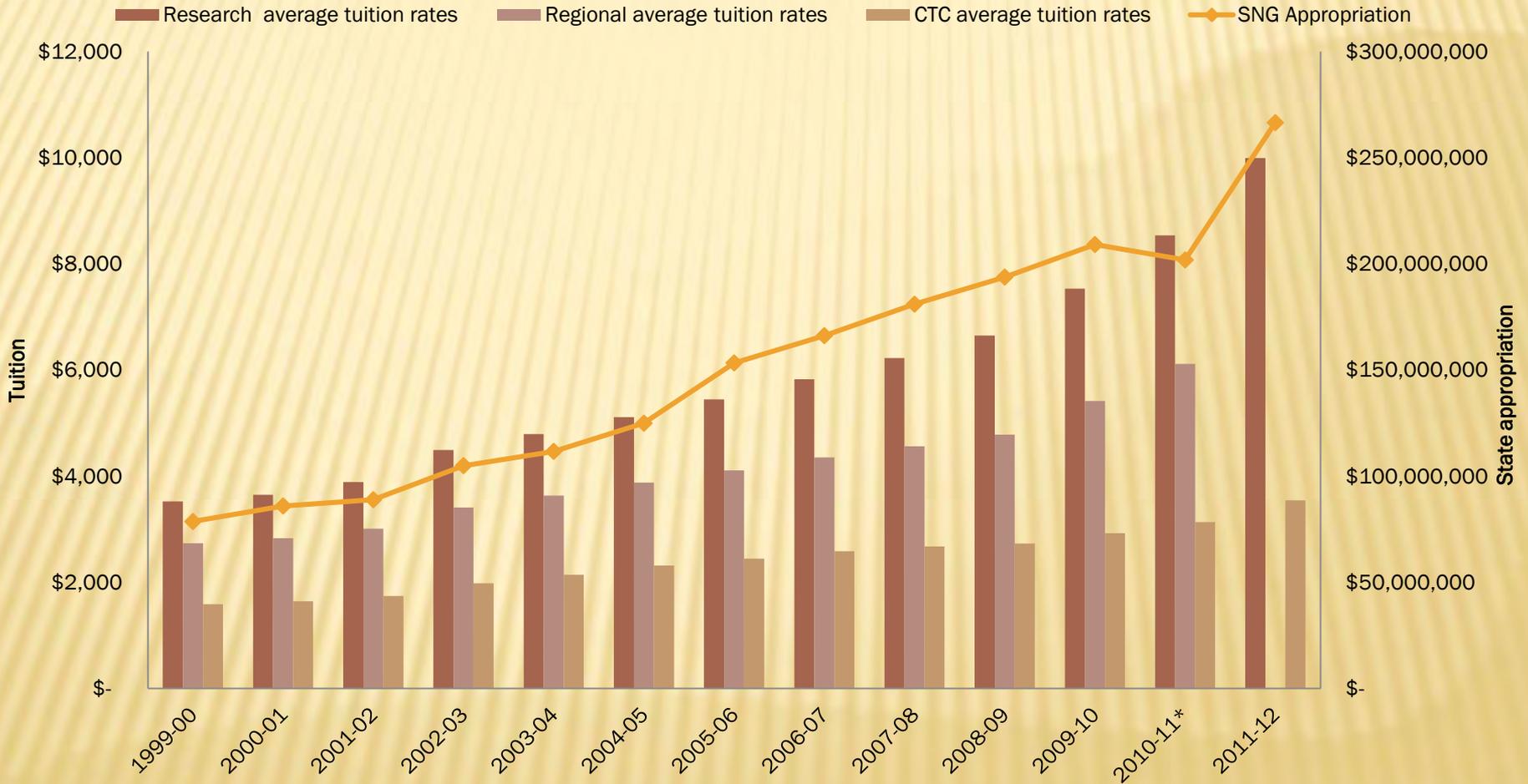
- Program Purpose
- History
- On the Horizon
- SNG Budget/Guidance 2012-13
- Fund Distribution
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PROGRAM PURPOSE

The State Need Grant (SNG) program assists the state of Washington's most needy and disadvantaged undergraduate students by offsetting a portion of their higher education costs.

- The policy focus has been on access and choice
- For two decades, the SNG award has covered over 90% of recipients' tuition and fees at public institutions

SNG FUNDING INCREASES WITH PUBLIC TUITION



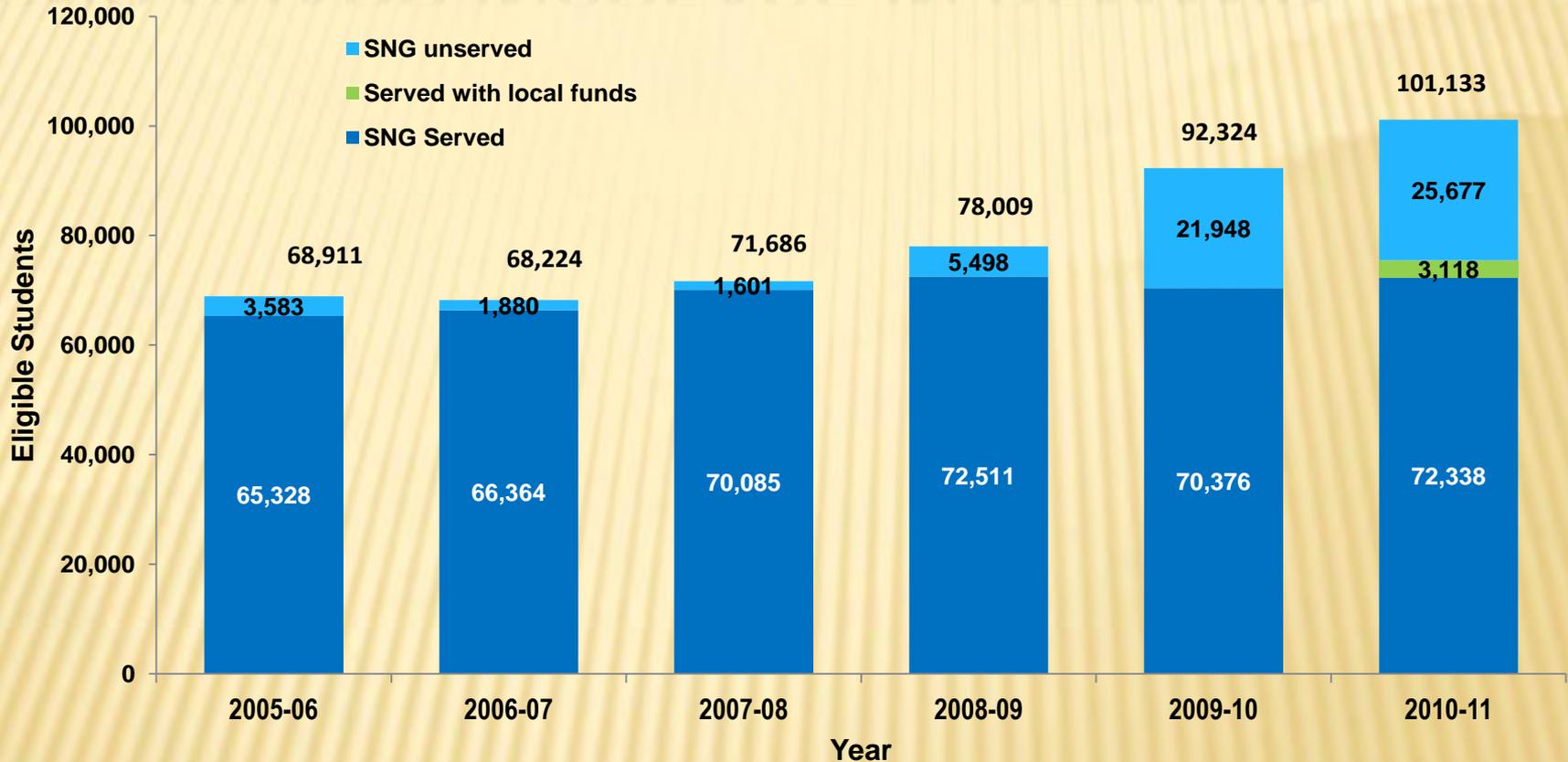
SNG HISTORY

- **1969** SNG Program established
- **1980** For-profit program participation authorized
- **1988** Grant amounts changed from flat to variable to reflect Cost of Attendance differences, supporting student choice
- **1989** Part-time students authorized
- **1991** “Fair Share” model adopted creating “reserve fund” based on percentage of eligible students
- **1993** Revised the allocation formula to use MFI due to a change in federal needs analysis
- **1998** Award amounts based on tuition rates
- **2005** Less-than-Halftime participation in SNG for 1st ten schools

SNG RECENT HISTORY

- Served 72,000 students in 2010-11, an increase over prior year. Created by enrollment/demand increases in the CTC sector and the lower average awards
- 26,000 students were eligible but unserved in 2010-11 due to limited program funds
- Students attending 67 public and private institutions received SNG
- Appropriation for current year, 2011-12, is \$266 million

SNG SHARP INCREASE IN DEMAND



- The enrollment of students qualifying for State Need Grant has increased sharply, outpacing available SNG funds.
- The number of eligible students increased 30% in a two-year period.
- The served students in 2010-11 include those served by public institution “local funds” resulting from a mid-year \$25 million budget rescission.

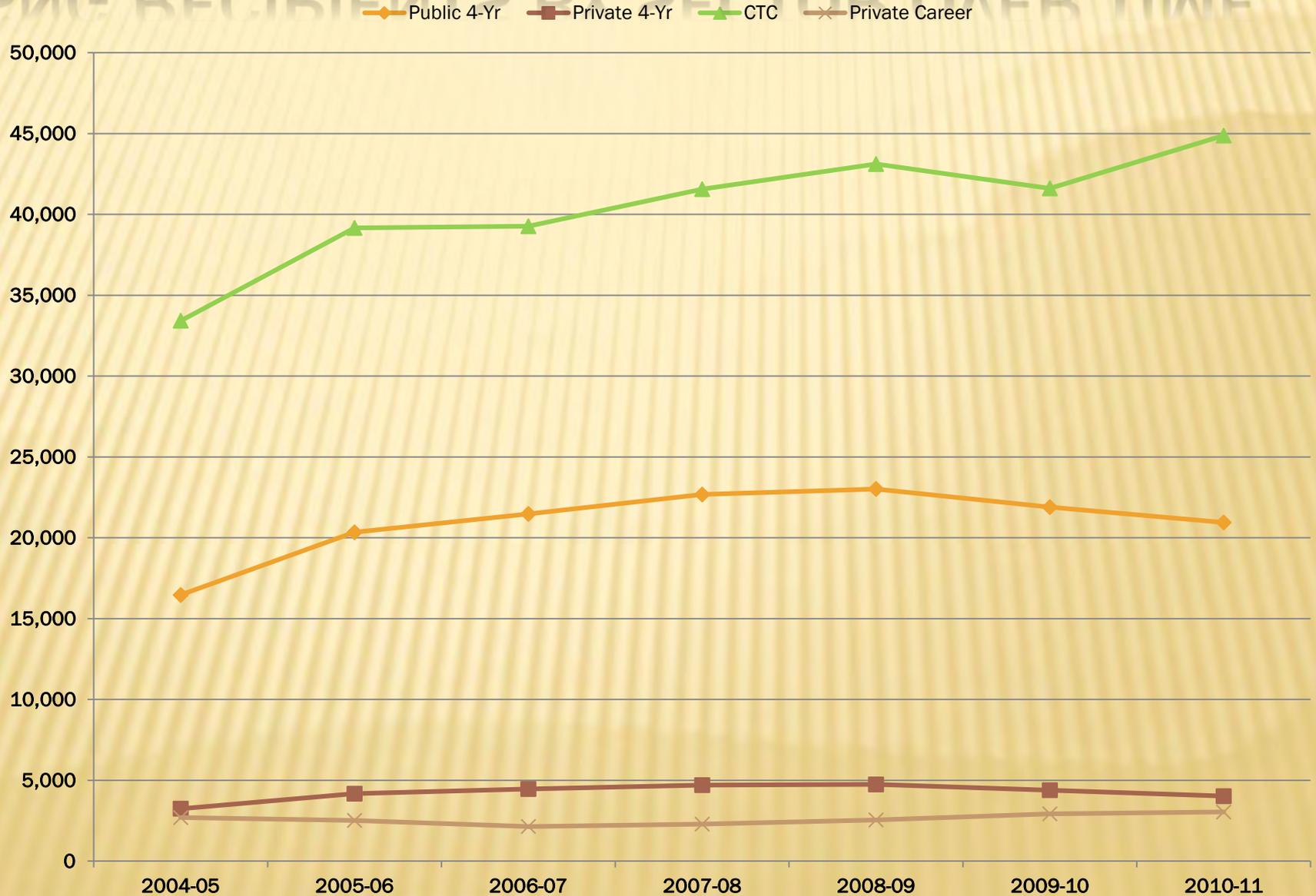
DIFFERENCES IN UNSERVED STUDENTS

- The un-served students filed their FAFSAs later
 - Two year students: May served/August un-served
 - Four year students: February served/March un-served
- The un-served students start attending later in the year and attend fewer terms
- The served students are receiving double the amount of grant aid
- The un-served students borrow \$2,500 more per year
- The un-served students attend two-year colleges in greater proportions:
 - 69% attend community and technical colleges
 - 24% attend public four-year
 - 5% attended private four-year

SNG EXPENDITURES BY SECTOR OVER TIME



SNG RECIPIENTS BY SECTOR OVER TIME



ON THE HORIZON

- Washington State Institute for Public Policy (WSIPP) longitudinal study of SNG outcomes

The purpose of this study is to determine to what extent the access has been increased and degree attainment for low-income students and to determine whether the funding for the state need grant has been utilized in the most efficient way possible to maximize the enrollment and degree attainment of low-income students.

- State Need Grant Review Workgroup
- Opportunity Internship Graduate “Cruncher”
- Upcoming Policy Evaluation
 - Reporting Unclaimed Property
 - Satisfactory Academic Progress

SNG BUDGET 2012-13



In millions

\$229.1	General Fund State appropriation
\$ 73.5	Opportunity Pathway appropriation
<u>\$.5</u>	Less-than-Halftime appropriation
<u>\$303.1</u>	Available SNG funds

Notes: Federal LEAP/SLEAP funding is suspended.

Less-than-Halftime funds are no longer separated from regular SNG

SNG BUDGET DIRECTIONS

- Median Family Income cutoff remains at 70%.
- Private institution award amounts decoupled from public sector awards, growth rate for private sector awards set at 3.5%.
- Students attending for-profit institutions prior to the 2011 legislative session are protected from a sector specific award reduction, all for-profit sector new students receive $\frac{1}{2}$ of an SNG award.

SNG GUIDANCE- AWARD CHART

Sector/Inst.	0-50% MFI= Full award	51-55% MFI = 70% of full award	56-60% MFI = 65% of full award	61-65% MFI = 60% of full award	66-70% MFI = 50% of full award
University of Washington	\$10,868	\$7,608	\$7,064	\$6,521	\$5,434
Washington State University	\$10,868	\$7,608	\$7,064	\$6,521	\$5,434
Private Four Year	\$8,517	\$5,962	\$5,536	\$5,110	\$4,259
Private Four Year For-profit new students	\$4,259	\$2,981	\$2,768	\$2,555	\$2,129
Central Washington University	\$7,631	\$5,342	\$4,960	\$4,579	\$3,816
Eastern Washington University & CTC BAS degrees	\$7,196	\$5,037	\$4,677	\$4,318	\$3,598
The Evergreen State College	\$7,611	\$5,328	\$4,947	\$4,567	\$3,806
Western Washington University	\$7,882	\$5,517	\$5,123	\$4,729	\$3,941
Community and Technical Colleges	\$3,696	\$2,587	\$2,402	\$2,218	\$1,848
Two Year Proprietary-continuing students	\$2,823	\$1,976	\$1,835	\$1,694	\$1,412
Two Year Proprietary-new students	\$1,412	\$988	\$917	\$847	\$706
2012-13 Dependent Care Allowance	\$885	\$620	\$575	\$531	\$443

SNG GUIDANCE- MFI CHART

Updated MFIs for SNG program based on Federal Fiscal Year 2013

Family Size	50%	55%	60%	65%	70%
1	\$21,500	\$23,500	\$25,500	\$27,500	\$30,000
2	\$ 28,000	\$30,500	\$33,500	\$36,000	\$39,000
3	\$ 34,500	\$38,000	\$41,000	\$44,500	\$48,000
4	\$ 41,000	\$45,000	\$49,000	\$53,000	\$57,500
5	\$ 47,500	\$52,000	\$57,000	\$61,500	\$66,500
6	\$ 54,000	\$59,500	\$65,000	\$70,000	\$75,500
7	\$ 55,000	\$60,500	\$66,500	\$72,000	\$77,500
8	\$ 56,500	\$62,000	\$67,500	\$73,500	\$79,000
9	\$ 57,500	\$63,500	\$69,000	\$75,000	\$80,500
10	\$ 59,000	\$65,000	\$70,500	\$76,500	\$82,500

*Amounts rounded to the nearest \$500

**Go up one in family size for each additional family member in college

FUND DISTRIBUTION

SNG distributions are based upon eligible student enrollments in the prior year.

- **Conditional Guarantee**-The amount the HECB is willing to guarantee to a school in early spring. It is a percentage based on each school's current year expenditures. Currently 75%
- **Initial Reserves**- Provided to schools in June based on spring interim report detail and uses 90% of the upcoming year's legislative allotment
- **Final Reserves**- Provided to schools in late August/early September based on final reconciliation and uses 100% of the legislative allotment
- **Formula "Fair Share Model":**
 1. FTEs for each MFI range (served & unserved) x award amount=maximum dollars needed.
 2. Maximum dollars needed / all participating school's need = proportionate share of need.
 3. Proportionate share of need x Available dollars = Schools reserve
- If funds are available, a mid year deobligation/supplemental fund survey will be utilized to redistribute funds mid-year

STUDENT ELIGIBILITY

■ Eligibility requirements

- Financially needy
- State resident
- Undergraduate
- Enrolled for at least 3 credits
- Enrolled in eligible program
- Completed FAFSA, and
- Meet one of following:
 - Income cutoff
 - Definition of disadvantaged
 - Former foster care youth
 - Opportunity Internship Grad

■ Disqualifiers

- In unsatisfactory progress or denied status
- In repayment for SNG*, other state aid or federal aid
- Pursuing a 2nd AA degree* within five years
- Exceeds 15 quarter limit* or 125% of program length
- Theology major
- Post first bachelor's degree

*Should be verified through SNG archive

CALCULATING AWARD

- Income threshold is based on Adjusted Gross Income(AGI) plus non-taxable income and household size
- Grant can not exceed actual tuition. \$100 variance permitted if award adjustment would be necessary to correct
- Dependent Care Allowance is permitted
- Adjust awards under following conditions:
 - MFI range above 50% MFI
 - Less than full time enrollment
 - Enrolled for less than a standard academic year
 - Gift equity packaging
 - Self-Help=25% of cost of attendance

OTHER AWARDING CONSIDERATIONS

- Award should not exceed student's need
- Retroactive payments permitted if same fiscal year
- Concurrent award at two schools is permitted. Maintenance costs should only be considered by one of the schools and the other school considers only tuition and fees
- Under awarding not permitted to stretch dollars
- **Post withdrawal disbursements are not permitted**

SATISFACTORY ACADEMIC PROGRESS (SAP)

- Each school responsible for monitoring SNG recipients' SAP
- State requires:
 1. Per term review
 2. A maximum program length of 125% (vs. federal 150%)
 3. Quantitative standard requiring that at least one-half of credits awarded are earned (vs. federal PACE)
- **Warning status**-When student completes more than half but less than all credits for which aid was calculated and disbursed.
- **Denied/unsatisfactory status**-Student should be denied any further aid if they complete less than half of the credits for which aid was disbursed
- Institutions are required to have a rigorous warning/probation policy that limits the number of total and consecutive terms/quarters a student can continue to receive SNG without 100% completion of attempted credits
- Institutions' policies should include a qualitative standard
- Professional judgment can be used to reinstate student in “extenuating” circumstances
- Institutions' policies should state conditions to be met in order to be reinstated

SNG REPORTING REQUIREMENTS

- All participating SNG schools are required to report four quarterly interim reports and one end of year Unit Record Report
- Reporting unserved students
 1. Accurate unserved reporting is critical for reporting purposes as well as distribution and cost models
 2. **Anticipated unserved future terms should be included on report (summer terms should only be included on final reconciliation report)**
 3. All unserved should be carefully vetted for SAP and other eligibility criteria
 4. **Unserved FTE should be reported at the attempted credits not the completed, which is consistent with served FTE reporting**
- Final archive cannot be posted until all participating institutions are fully reconciled. Payments cannot be disbursed for new fiscal year until all institutional refunds have been received

SNG REPORTS FOR 2012-13

Report Due Dates



Fall	November 9, 2012
Winter	February 10, 2013
Spring	May 11, 2013
Recon	July 13, 2013
Unit Record	October 12, 2013

PAYMENT REQUESTS

- Public institutions
 - Request bulk payments monthly via Portal
 - The monies should be disbursed to students within 30 days or returned to HECB
 - All recipients should be notified of Conditions of Award
 - Monies should not be disbursed until after school confirms enrollment
- Private institutions
 - All payments now made via Electronic Fund Transfers (EFTs)
 - School identifies eligible students, disburses institutional funds and then requests reimbursements from HECB
 - All recipients should be notified of Conditions of Award and required to sign a Student Directive*
 1. Institutional check or
 2. Deposit to student account

**Under no circumstances should a student be coerced or influenced regarding their choice*

SNG REPAYMENTS

- The state aid repayment policy must be utilized in lieu of R2T4 calculations
- All monies, whether disbursed to the student account or directly to the student, shall be included in the repayment calculation
- If last date of attendance is known and it is after 50% of the of the term, the state aid is considered 100% earned, otherwise use state repayment policy formula
- Private institutions collect on all repayments
- Public institutions may collect on accounts if making active collection efforts or student is making payments, otherwise refer to HECB. Current fiscal year collections can be re-awarded, post fiscal year collections should be remitted to HECB
- No post withdrawal disbursements permitted

TRANSFER FUNDS/FOSTER YOUTH FUNDS

- Monies are set aside each year for former foster youth and transfer students
- Transfer funds are available until April 15th each year or until funds are used, whichever comes first
 - Student must have received at least one term of SNG at originating institution during current year
 - Student must be enrolled in receiving institution before funds can be requested
 - Funds must be reconciled separately
- Foster youth are assured receipt of SNG
 - Funds intended for those students who were not identified during packaging because they enrolled later in the year
 - Not meant to supplement an institution's SNG reserve

SUMMER TIMELINE



- **June - Initial reserve notifications**
 - (Initial 2012-2013 funds will be committed)

- **July 13 - Reconciliation of 2011-2012 academic year begins**

- **August (end of month) - Final reserve notifications**
 - (100% of 2012-2013 funds committed)

CONTACT INFORMATION

Thank you!

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Questions? Call or email us!



**THANK
YOU!**