**NYSFAAA State Student Aid Proposals – Advocacy Day**

 **February 9-10, 2021**

The New York State Financial Aid Administrators Association (NYSFAAA), an association of student financial aid professionals from across the state representing all sectors of our diverse higher education system, proposes a number of recommendations designed to safeguard access to an affordable college education for all academically qualified students. Our proposals stem from a need to better serve our state’s students, to help students with demonstrated financial need make college possible, and also focus on streamlining the financial aid application process.

NYSFAAA’s financial aid administrators and their campus communities are aware of the State’s current budget crisis caused by the pandemic. However, we remind you of the ever increasing need of our state’s students and their families who are struggling. They must be considered a top priority. The recommendations below are those we believe are most important and will be most impactful, provided the state receives a fair Federal funding package.

**Recommendation #1:**

**Support Meaningful TAP Awards for New York State Students**

– Increase Maximum TAP Award and Expand Income Eligibility –

**We recommend phasing in over three years (to 2024) an increase in the maximum Tuition Assistance Program (TAP) Award from the current maximum of $5,165 to $6,000, an increase in the minimum TAP award to $1,000 (from $500), and phasing in an increase in the TAP income eligibility from $80,000 to $110,000 NYS Net Taxable Income (NTI).** Establish a funding formula for future years (post-2024) whereby TAP would be increased annually to keep pace with inflation.

*Rationale:*

*We were encouraged that TAP funding was not cut in the Executive Budget. If additional revenue is available in the Budget, we urge the Legislature to increase TAP funding for students who need it now more than ever.*

The New York State TAP award schedule has not kept pace with the U.S. inflation rate, nor with students’ and families’ struggles due to the pandemic that has caused sigificant financial hardship for families trying to meet higher education costs. Over the last 20 years the maximum TAP award has increased only 3.3% and the maximum TAP income eligibility has remained flat. **Senate bill S.1889, that was advanced in the 2019-2020 legislative session, recognized the need to increase the maximum TAP income eligibility level, raising it from $80,000 NYS Net Taxable Income (NTI) to an NTI of $95,000.** We urge passage of similar legislation that would phase-in further adjustments to increase maximum TAP awards to $6,000 and TAP income eligibility to $110,000 NTI.

**Recommendation #2:**

**Support Opportunity Programs Serving Our Most Vulnerable Students**

– Enhance Funding for Opportunity Programs –

**To support access and effective programming, we urge an across-the-board 20 percent increase for all Opportunity Programs –** Educational Opportunity Program (EOP), College Discovery Program, Search for Education, Elevation, and Knowledge (SEEK) Program, the Collegiate Science and Technology Entry Program (CSTEP), its high school counterpart STEP, and the Liberty Partnerships Program (LPP)**.** For the Arthur O. Eve Higher Education Opportunity Program (HEOP), we request a 20 percent increase per FTE to $8,400 (from $7,000 per FTE) for programs serving students outside New York City and an increase to $9,000 per FTE (from $7,500) for programs serving students in New York City. A recent survey of institutions with HEOP programs clearly showed that the HEOP program needs increased support to ensure program stability.

*Rationale:*

*We were encouraged that Opportunity Programs’ funding was not cut in the Executive Budget. If additional revenue is available in the Budget, we urge the Legislature to increase Opportunity Programs’ funding for students who need it now more than ever.*

The NYS Opportunity Programs have a long and well-established track record of successfully supporting a diverse population of economically and academically disadvantaged students to persevere and complete their programs of study. Opportunity Programs lead to improved graduation rates and are well worth an increasing investment of our tax dollars. The academic, co-curricular, and financial support provided by these programs make a real difference in the lives of students in opportunity programs who are traditionally at higher risk of not graduating.

**Recommendation #3:**

**Eliminate Disparity in Access to TAP Awards**

– Standardize Dependent & Independent Student TAP Award Schedules –

**Use the same TAP Award Schedule, income, and maximum award eligibility for all students regardless of their Dependency Status.** Currently independent students who are married or single and have no tax dependents receive significantly lower TAP awards compared to dependent students and independent students with tax dependents (with a maximum award of $3,025 compared to $5,165 for the later group). There is also a significant difference in the maximum income allowed, with eligibility for TAP for independent married students without dependents limited to those below $40,000 NYS Net Taxable Income (NTI) while eligibility for single independent students without dependents is restricted to those with NTIs no higher than $10,000. NYSFAAA supported S7251 (Stavisky) and A10026 (Glick), bills introduced during the 2019-2020 legislative session that would have resolved some of the confusion and disparity in maximum award eligibility across multiple TAP schedules. **However, we urge you to pass legislation that goes a step further – to fully eliminate award discrepancies based on dependency status.**

*Rationale:*

In a December 2019 survey of NYSFAAA members, 73% of aid administrators supported treating dependent and independent students similarly, and there is strong sentiment that the current disparity in TAP awards significantly disadvantages independent students who have no dependents. In fact, many aid administrators commented that independent students often have less disposable income available to them than dependent students because they have to provide for all of their own expenses. Certainly, tax dependents and spousal income should be factored into an adjusted NTI calculation to ensure that relevant income and expenses for family members are factored into the determination for aid eligibility; however, the NYSFAAA membership strongly supports elimination of the current separate and unequal TAP Award schedules for independent students.

**Recommendation #4:**

**Align State to Federal Use of Professional Judgment**

– Align FAAs’ Professional Judgment (PJ) for State Aid Programs to Federal PJ –

**Financial Aid Administrators (FAAs) are allowed to exercise “Professional Judgment” for Federal Title IV programs for defined, well-documented extenuating circumstances, allowing adjustment of aid awards to** better reflect significant changes in family circumstances or a student’s and/or family’s ability to pay based on losses to family income**.** We urge the state to allow FAAs to exercise Professional Judgment for state aid programs. This would give FAAs the authority to consider granting independent status (i.e. “Dependency Overrides”), or to revise household income and certain other data elements with appropriate documentation.

*Rationale:*

FAAs work with students who have been abused, abandoned, and/or severely neglected by their parent(s) or legal guardian(s), with students who are homeless (or at risk of being homeless), or who have incarcerated parents. Under Federal guidelines FAAs have the ability to exercise professional judgment to grant independent status for Federal aid programs to an otherwise dependent student under these extenuating circumstances. FAAs also have the authority to recalculate a student’s Federal aid eligibility to more accurately reflect the student’s or family’s ability to pay when income or assets have been lost in the year(s) following the tax year that aid applications were initially based on. Under current NYS law there are very limited provisions for a review of “special circumstances.” The disparity between Federal and NY State policy creates frustration, confusion, and discouragement for students facing real hardships. It also has an impact on persistence to degree completion for some students. NY State professional FAAs have the training and experience based on Federal Student Aid (FSA) guidelines to evaluate challenging circumstances and to make decisions that are compliant with regulations. We urge that similar professional judgment authority for state aid programs be extended to FAAs to assist more New York students dealing with hardship circumstances, allowing them access to appropriate state aid funds and improving their chances for success.

**Recommendation #5:**

**Address Higher Education’s COVID-19 Related Budget Issues**

– Release Withheld Student Aid Payments, Restore Bundy Aid, and Confirm Student Aid Eligibility for COVID-19-Impacted Students –

**Release 20% Withholding of State Aid Payments –**Since spring 2020,the state has withheld 20% of all student aid program payments due to enrolled students, including payments for TAP and the opportunity programs while requiring instituitons to hold students harmless – essentially requiring the institutions to advance the state’s student aid commitment to students. The withholding is an increasingly difficult financial burden for the state’s higher education institutions that are already suffering from lost revenues on many fronts. This ongoing withholding of student aid payments is forcing many institutions into near fiscal crisis. **We urge the state to make whole on their financial commitment to student aid and release the 20% payments to institutions.**

**Restore Bundy Aid Funding –** The Governor’s Executive Budget eliminates Bundy Aid for state fiscal year 2022, a critically important program to Independent Sector institutions that is used for direct student aid to students. He further proposes not restoring the amount (20%) withheld from payments already made in this fiscal year and cancelling remaining Bundy Aid payments owed during the current academic year. This amounts to a $51.9 million cut to student aid and support during a pandemic – a devastating and untenable blow. The Governor’s budget inaccurately suggests that Federal emergency relief funding is a substitute for Bundy Aid. In reality, Federal relief provided a portion of the funding campuses incurred to protect jobs, to fund robust COVID-19 testing programs and buy needed PPE that is enabling campuses to keep their communities safe during the pandemic. The Governor’s proposed elimination of Bundy Aid will only exacerbate the grave fiscal stresses on independent colleges and universities and the students they serve. **We urge the legislature to fully restore Bundy Aid in the FY 2022 Budget and reject cuts to Bundy Aid funding that the Legislature already approved in the FY 2021 budget.**

**Confirm COVID-19 State Aid Waivers –** HESC has advised institutions that they can provide waivers to students impacted by COVID-19. Students deemed impacted by COVID-19 will not lose their next TAP payment due to SAP (Satisfactory Academic Progress) or POP (Pursuit of Program) or due to withdrawal from their classes. However, as of January 2021, the Governor’s Office has not yet approved this measure. This has led to great confusion and has put students truly impacted by COVID-19 in limbo as to their academic status and their state aid. Since the directive stated institutions must continue to fully award students, the institutions are carrying a significant financial burden since they are carrying the state’s commitment for these students.