

Study Resolution

Virginia's higher education student financial aid award policies and processes

Authorized by the Commission on January 10, 2022

WHEREAS, state funding for student financial aid has increased in recent years, totaling more than \$200 million across Virginia's 15 public four year institutions in FY 22, and the state allocated \$60 million in FY 21 and \$73.5 million in FY 22 to maintain affordable access during the COVID-19 pandemic; and

WHEREAS, student debt levels are in part determined by a student's ability to pay (e.g. household income and savings) and the cost of attendance, and students who need to assume debt to attend school have access to a variety of federal, state, and private loan and grant programs; and

WHEREAS, Virginia has numerous student financial assistance programs, and state funding for student aid at Virginia's public four year institutions ranged from 11 percent to 41 percent of total, non-loan aid (federal, state, institutional, and private or local aid); and

WHEREAS, state financial aid funding is allocated to institutions based on a formula, then each institution uses a variety of policies, criteria, and processes to make individual financial aid award decisions among students; and

WHEREAS, the average state financial aid award was \$2,336 per student but ranged from \$1,746 to \$3,904 per student at each institution, and each institution allocated these awards to varying degrees based on student ability to pay, other demographic factors, and other considerations; and

WHEREAS, 40 percent of recent graduates from Virginia's public four year higher education institutions had no student financial aid debt at graduation, yet 20 percent had \$10,000 to \$25,000 in debt and 25 percent had \$25,000 to \$50,000 in debt; and

WHEREAS, the State Council for Higher Education in Virginia's strategic plan sets a goal to lower student costs and it will be releasing a review of funding, efficiency, and effectiveness in mid-2022; and

WHEREAS, JLARC has not reviewed financial aid at Virginia's 15 public four year institutions since 2014; now, therefore be it

RESOLVED by the Joint Legislative Audit and Review Commission that staff be directed to review student financial aid at Virginia's 15 public four year institutions. In conducting its study, staff shall (i) assess student cost, enrollment, and graduation trends before and during the pandemic; (ii) assess the adequacy and equity of state financial aid funding across institutions given varying student ability to pay and demographics; (iii) identify, compare, and evaluate student aid award policies, criteria, and processes at each of Virginia's 15 public four year institutions; (iv) evaluate how, if at all, HBCUs and their students are being affected differently by rising higher education costs and student debt; (v)

determine costs to provide dual enrollment courses and how well institutions share data about students who complete dual enrollment courses or transfer across institutions; and (vi) evaluate the effectiveness of state student financial aid at lowering student costs considering funding levels, student demographics, and graduation rates at each institution.

JLARC shall make recommendations as necessary and review other issues as warranted.

All agencies of the Commonwealth, including the State Council for Higher Education in Virginia and all public higher education institutions and local school divisions, shall provide assistance, information, and data to JLARC for this study, upon request. JLARC staff shall have access to all information in the possession of agencies pursuant to § 30-59 and § 30-69 of the Code of Virginia. No provision of the Code of Virginia shall be interpreted as limiting or restricting the access of JLARC staff to information pursuant to its statutory authority.