

**Meeting of the
OKLAHOMA STATE REGENTS FOR HIGHER EDUCATION
May 28, 2021**

AGENDA ITEM #28:

Oklahoma Tuition Aid Grant.

SUBJECT: Approval of the 2021-2022 Oklahoma Tuition Aid Grant Award Schedule.

RECOMMENDATION:

It is recommended that the State Regents approve the proposed 2021-2022 award schedule for the Oklahoma Tuition Aid Grant program.

BACKGROUND:

The Oklahoma Legislature created the Oklahoma Tuition Aid Grant (OTAG) program in 1971. OTAG is a need-based grant program that currently provides awards for both full-time and part-time undergraduate students. The maximum award is \$1,000 at public institutions and \$1,300 at private institutions. The program currently serves about 16,000 students with a total budget, including carryover funds, of almost \$16 million. The award is available to students attending state system institutions, non-profit accredited private institutions and public career technology centers.

Note: Due to the recent passage of HB 1821 in the 2021 legislative session, 2021-2022 will be the last year that OTAG grants are awarded under the current “first-come, first-served” process. With the goal of increasing retention and graduation rates, beginning in 2022-2023, greater flexibility will be authorized for institutions to consider other factors such as unmet financial need, continuous enrollment, nearness to completion of a degree or certificate, state employment needs, and eligibility for other financial aid.

POLICY ISSUES:

OTAG continues to play an important role in providing college aid to Oklahoma students with the least financial resources, including a significant number of adult students.

ANALYSIS:

As shown in the attached document, the proposed award schedule for 2021-2022 reflects the following:

- Awards will initially be limited to students with an Expected Family Contribution (EFC) of 1700 or less and can be extended if funds are sufficient. The EFC is the amount that the student and their family are expected to pay “out of pocket” toward the student’s college costs. The amount is determined by a formula utilized for the federal student financial aid application.
- From FY2015 to FY2021, state appropriations for OTAG were reduced by 25 percent from \$19.3 million to \$14.4 million.
- For FY2021, funding for OTAG was sufficient to serve only about 44% of potentially eligible students.

- The maximum award level for 2021-2022 will remain at \$1,000 for students attending public institutions and \$1,300 for students attending private/independent institutions. The maximum award for students attending public institutions has remained unchanged at \$1,000 for thirty-nine years (since 1982). [Note: The maximum award amounts will also be changing beginning in 2022-2023 due to HB 1821.]
- Students apply for the OTAG award by submitting the Free Application for Federal Student Aid (FAFSA). For 2020-2021, awards were made to students on a first-come/first-served basis to students submitting a FAFSA through January 15, 2020. The current estimated application date for awarding 2021-2022 grants is for FAFSA's submitted through January 15, 2021.
- The proposed schedule will continue to exclude graduate students. Graduate student eligibility was initially suspended in 2003-2004 due to budget cuts. Due to the inability to fund all eligible undergraduate students, it is recommended that graduate students remain ineligible for the award.
- The proposed schedule includes an option for offering awards for summer enrollments if funds remain available after all Fall and Spring disbursements have been paid.
- While the highest EFC for awards is 1700, a maximum eligible EFC is determined in order to identify the total eligible OTAG applicant pool. The maximum EFC is 5846, which is consistent with eligibility for federal Pell Grants in 2021-2022.

Attachment

**OKLAHOMA TUITION AID GRANT PROGRAM
PROPOSED 2021-2022 AWARD PAYMENT SCHEDULE
EFC-DRIVEN NEED ANALYSIS FORMULA**

Expected Family Contribution (EFC) as calculated for federal student financial aid programs is the basis for determining Oklahoma Tuition Aid Grant program (OTAG) award eligibility. The Oklahoma State Regents for Higher Education (OSRHE) set an annual award payment schedule. The applicant's EFC is incorporated into the payment schedule to determine the percentage of enrollment costs (tuition and mandatory fees charged to all students) the applicant is eligible to receive. The percentage is then applied to the appropriate standard OTAG enrollment cost for the school. Based on their EFC, an applicant is eligible for up to 75 percent of their enrollment costs. This percentage is applied to the school cost amount for the student's enrollment status to determine the maximum OTAG award amount.

Maximum Award Amount is 75 percent of Enrollment Costs, not to Exceed \$1,000 For Students Attending Public Colleges, Universities and Career Technology Centers or \$1,300 for Students Attending Non-Profit Private Colleges and Universities

EFC RANGE	PERCENT OF ENROLLMENT COSTS
0 – 1700	75%
1701 – 2000	75%
2001 – 2500	75%
2501 – 3000	70%
3001 – 3500	65%
3501 – 4000	60%
4001 – 4500	55%
4501 – 5000	50%
5001 – 5500	45%
5501 – 5846	40%

- Shaded area represents initial 2021-2022 funding cutoff for applicants. The EFC cutoff may be extended if funds remain available.
- EFCs greater than 5846 are ineligible in 2021-2022.
- In setting the annual schedule, an EFC cap (highest EFC an applicant can have and be eligible for OTAG) is based on the highest EFC a student can have and be eligible to receive federal Pell Grant funding.

2021-2022 Awarding Priorities:

Only undergraduates will be considered for awards in 2021-2022.

1. Undergraduate applications with receipt dates of January 15, 2021 or earlier and EFC's from 0 through 1700 will be awarded. If funds are not available to award all eligible undergraduate applications with EFC's from 0 through 1700 received through January 15, 2021, those with the earliest application receipt dates will receive priority consideration.
2. If funds remain available after awarding eligible undergraduate applications meeting priority 1 above, the application receipt date cutoff may be extended beyond January 15, 2021 and/or the EFC cutoff may be extended above 1700.
3. If, after all fall and spring disbursements have been paid, funds remain available, the OSRHE may authorize the payment of awards for summer enrollments. If the OSRHE determine that funds are available to offer summer awards, institutions will be notified. At the time of notification, summer award amounts will be announced.