

Meeting of the
OKLAHOMA STATE REGENTS FOR HIGHER EDUCATION
June 24, 2020

AGENDA ITEM #16:

Oklahoma Tuition Aid Grant.

SUBJECT: Approval of the 2020-2021 Oklahoma Tuition Aid Grant Award Schedule.

RECOMMENDATION:

It is recommended that the State Regents approve the proposed 2020-2021 award schedule for the Oklahoma Tuition Aid Grant program.

BACKGROUND:

The 1971 Oklahoma Legislature created the Oklahoma Tuition Aid Grant (OTAG) program. 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 20,000 students with a total budget, including carryover funds, of almost \$17 million. The award is available to students attending State System institutions, non-profit accredited private institutions and public career technology centers.

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 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 FY2020, state appropriations for OTAG were reduced by 22 percent from \$19.3 million to \$15 million.
- For FY2020, funding for OTAG was sufficient to serve only about 47 percent of potentially eligible students.
- The maximum award level 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-eight years (since 1982).

- Students apply for the OTAG award by submitting the Free Application for Federal Student Aid (FAFSA). Beginning with the 2017-2018 academic year, the FAFSA became available on October 1st of each year rather than January 1 as in previous years. This new process allowed students to apply earlier for the upcoming year using complete tax data for the “prior-prior” year (2017 taxes were used for the 2019-2020 FAFSA beginning October 1, 2018.) This change required an adjustment of the OTAG application deadline.
- To accommodate the FY2020 funding level, awards for 2019-2020 were made to students on a first-come, first-served basis with an expectation to fund students applying at least through January 31, 2019. For 2018-2019, the application deadline was set at January 15, 2018 and extended to February 15, 2018 for spring only awards.
- 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 5711, which is consistent with eligibility for federal Pell Grants in 2020-2021.

Attachment

**OKLAHOMA TUITION AID GRANT PROGRAM
PROPOSED 2020-2021 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 – 5711	40%

- Shaded area represents initial 2020-2021 funding cutoff for applicants. The EFC cutoff may be extended if funds remain available.
- EFCs greater than 5711 are ineligible in 2020-2021.
- 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.

2020-2021 Awarding Priorities:

Only undergraduates will be considered for awards in 2020-2021.



1. Undergraduate applications with receipt dates of December 1, 2019 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, 2020, 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, 2020 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.