

# Higher Education Assistance Authority

FY 2012 Revised and FY 2013  
Budgets

Staff Presentation

March 22, 2012

# HEAA

- Program Overview
- FY 2012 Revised
- FY 2013

# HEAA

- Scholarship and Grant Program
  - Need-based student financial assistance programs
- Federal Loan Program
  - State's designated guaranty agency
  - Loan guarantees, application processing, repayment management, default aversion and collection, etc.
- Tuition Savings Program
  - CollegeBound*fund* is a qualified state tuition savings program

# Scholarships and Grants

- Only available to Rhode Island residents
- Eligibility and need determined from information submitted on the FAFSA
- Approximately 50% of applicants projected to receive grants for FY 2013
  - 23,408 estimated to receive awards
  - Projected average award of \$524 for FY 2013
  - FY 2011 average award was \$761

# Scholarships and Grants

- At the March 16, 2012 Board meeting, the Board approved an increase in the maximum award to between \$700 and \$1,000 provided the state maintains \$5.0 million from general revenues to the Authority
  - A portion of the \$20.0 million surplus from the loan guaranty agency may be used to raise the maximum award
  - Options will be discussed at April Board meeting
  - Not reflected in the numbers presented here

# Academic Promise

- Students who demonstrate academic promise and show financial need
- Eligibility calculated using information from FAFSA and SAT or ACT score
- \$2,500 per year over 4 years for a total of \$10,000
- Program funded from Tuition Savings fees
  - Funding has been provided to make awards to recipients up to and including graduating class of 2015
  - Funded 10 cohorts at \$1 million a piece

# Matching Grant Program

- Program awards a \$2 for \$1 match for families with AGI of \$72,000 or less and \$1 for \$1 match for families with AGI up to \$87,000
- Funded as needed from Tuition Savings fees
  - Last funded in FY 2006 at \$0.5 million
  - Students receive match in FY 2012 from carry-forward funding

# Loan Division

- Congress passed legislation that includes provision to end subsidies to lenders and originate all loans directly through federal government
- No new loan guarantees effective July 1, 2010
- Authority still needs to manage current portfolio
  - Three to five years



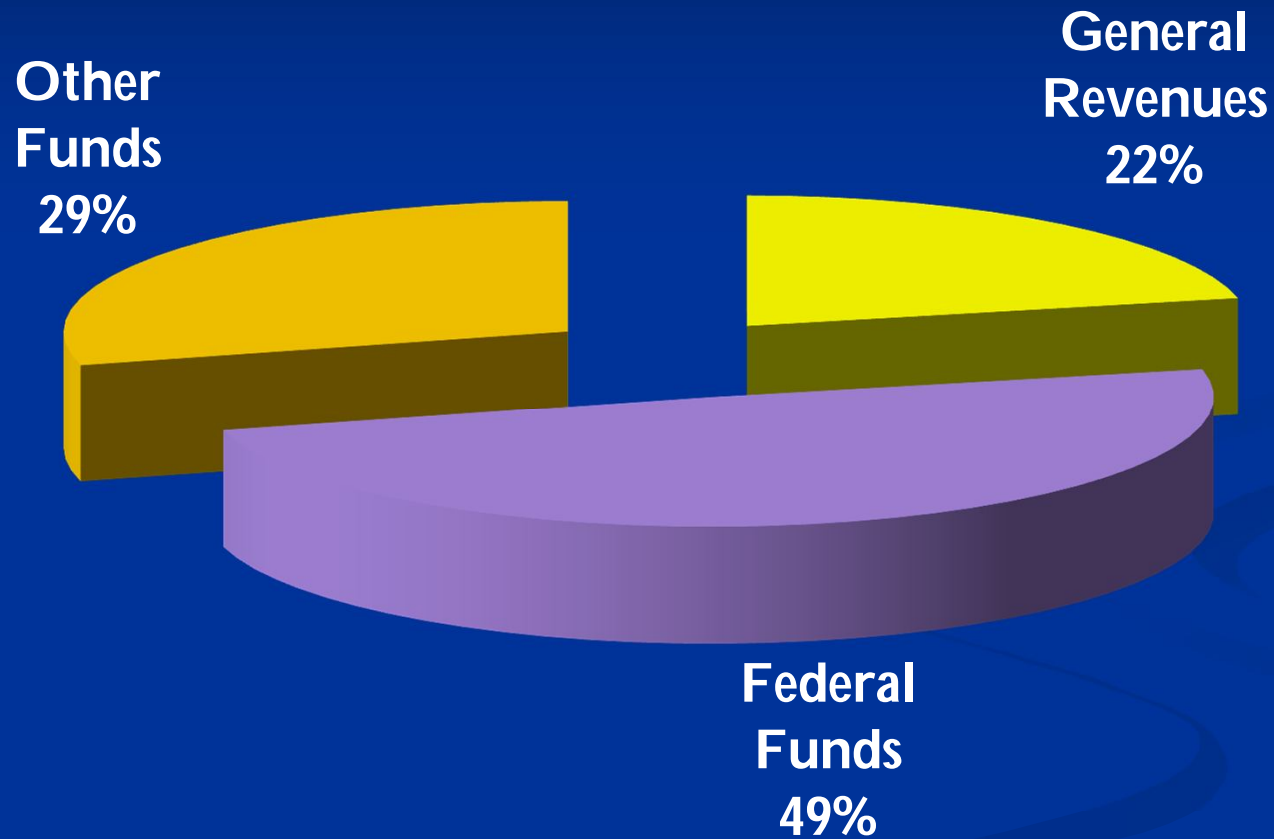
# HEAA

- WaytogoRI
  - free, internet-based program that helps students, parents, and educators explore educational options and occupations and make goals
  - Web portal is currently in use in all public school systems in Rhode Island and in many private and parochial institutions
  - Contract with XAP through March 1, 2016 funded from federal funds

# CollegeBound*fund*

- Qualified state tuition savings program
- Fees paid primarily by out-of-state participants are used for administrative expenses and financial assistance programs
- These fees generate approximately \$6.0 million a year

# FY 2012 Revised by Source of Fund



# FY 2012 Revised Summary by Program

<i>All Funds</i> <i>(in millions)</i>	<i>FY 12</i> <i>Enact</i>	<i>FY 12</i> <i>Gov. Rev.</i>	<i>Chg. to</i> <i>FY 12 Enact</i>	<i>Chg. to</i> <i>FY 12</i> <i>Rev.</i> <i>Req.</i>
Scholarship and Grants	\$6.1	\$5.9	(\$0.3)	\$0.2
Loans Program	13.3	13.0	( 0.3)	(0.1)
Tuition Savings	8.0	9.0	1.0	1.0
<b>Total</b>	<b>\$27.4</b>	<b>\$27.9</b>	<b>\$0.5</b>	<b>\$1.1</b>

# FY 2012 Revised

- Scholarships and Grants
  - Adds \$0.2 million from general revenues to provide maintenance of effort for federal college access challenge grant in Office of Higher Education's budget
    - \$0.6 million was added in FY 2011
  - Shifts \$91,000 from tuition savings funds from operating expenses to scholarships
- Academic Promise
  - Adds \$1.0 million from tuition savings fees
- Medical benefit holiday savings

# Article 4 - Sections 1 and 2

## Higher Education

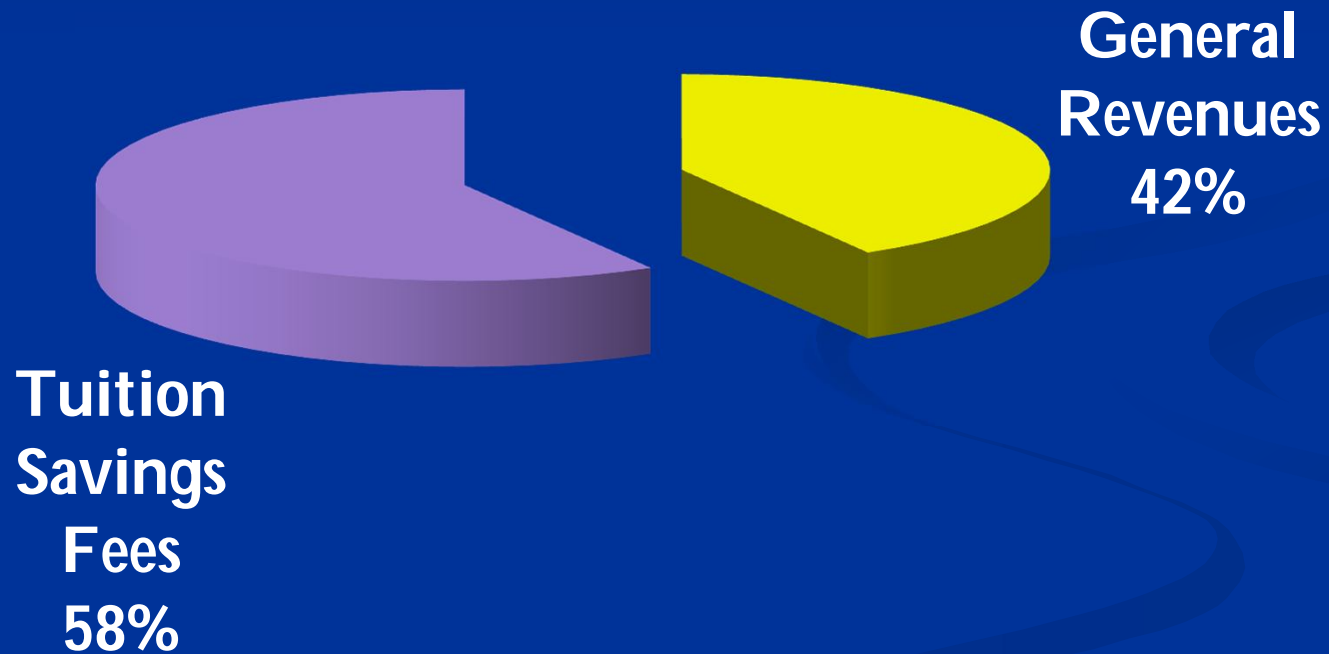
- Hearing held on February 15, 2012
- Transfers all powers, duties and authority to the Board of Governors
- Corporate existence would be terminated on September 1, 2012
- Budget transfers \$27.7 million and staffing of 39.6 positions

# FY 2013 Summary by Program

<i><b>All Funds</b></i> <i>(in millions)</i>	<i><b>FY 13 Gov*</b></i>	<i><b>Chg. to FY 12 Enact</b></i>	<i><b>Chg. to FY 13 Req</b></i>
Scholarship and Grants	\$5.6	(\$0.5)	(\$0.5)
Loans Program	13.3	0.0	(0.5)
Tuition Savings	8.8	0.8	1.0
Total	\$27.7	\$0.3	-

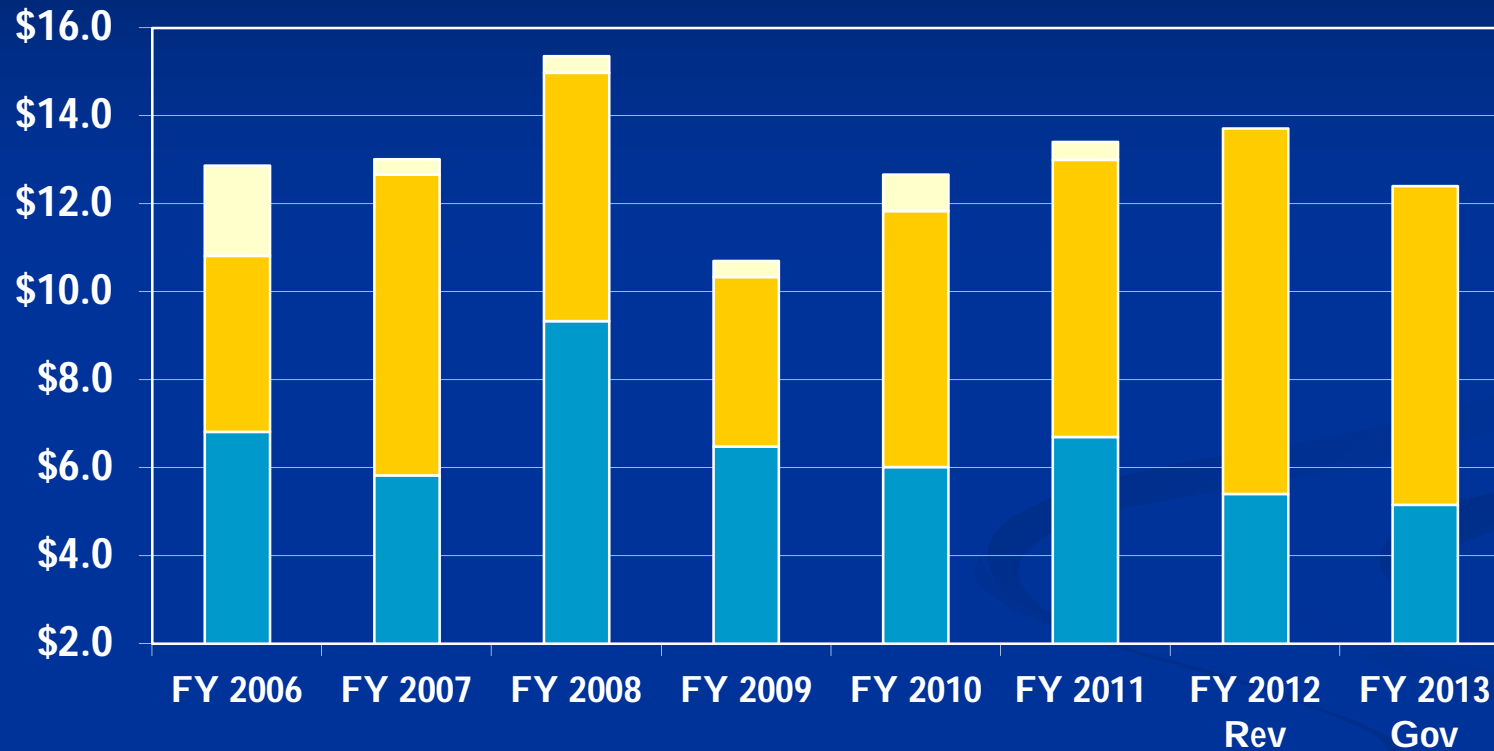
\*Funding appears in Office of Higher Ed

# Scholarships and Grants by Fund





# Scholarships and Grants



■ General Revenues  
■ Tuition Savings Fees  
■ Federal

# Need Based Scholarships and Grants

(in millions)	<b>FY 2012 Enacted</b>	<b>FY 2013 Gov</b>	<b>Diff</b>
General Revenues	\$5.3	\$5.2	(\$0.1)
Tuition Savings Fees	7.2	7.2	-
<b>Total</b>	<b>\$12.5</b>	<b>\$12.4</b>	<b>(\$0.1)</b>

# Other Grants

## Academic Promise

- Governor includes
  - \$1.0 million in FY 2012
  - \$750,000 in FY 2013

## Matching Grant

- not funded

# Staffing

- Governor includes 41.6 positions for FY 2012; the enacted level of positions and 39.6 positions for FY 2013
  - Eliminates Department Manager and Executive Director
- As of March 10, 2012 the Authority has 30.0 filled positions

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