

Guidance for the Use of the American Rescue Plan Act of 2021 (ARPA) State and Local Recovery Funds for Higher Education

The following provides document includes the guidance for the use of ARPA funds for higher education and the methodology SCHEV used for the allocation of these funds as authorized during the 2021 special session II in August.

Authorizing language in the budget

i. [Higher Education](#)

(1) \$100,000,000 to the State Council of Higher Education for Virginia (245) for need-based financial aid for in-state undergraduate students from low- and moderate-income households at public institutions of higher education. No less than 30 days prior to distributing the funds to the public institutions, the Council shall report on the allocation methodology used to the Chairs of the House Appropriations and Senate Finance and Appropriations Committees, the Secretary of Finance, the Secretary of Education, and the Director, Department of Planning and Budget.

(2) \$11,000,000 to the State Council of Higher Education for Virginia (245) for need-based financial aid for in-state undergraduate students from low- and moderate-income households at institutions of higher education eligible for the Virginia Tuition Assistance Grant Program in accordance with § 23.1-628 through § 23.1-635, Code of Virginia. No institution shall receive more than ten percent of the total funding provided herein. No less than 30 days prior to distributing the funds to the private institutions, the Council shall report on the allocation methodology used to the Chairs of the House Appropriations and Senate Finance and Appropriations Committees, the Secretary of Finance, the Secretary of Education, and the Director, Department of Planning and Budget.

I. ARPA Institution Eligibility and Definitions

- A.** All public institutions with undergraduate degree programs will receive an allocation.
- B.** Private non-profit institutions must be eligible to participate in the Virginia Tuition Assistance Grant Program and provide undergraduate degree programs.
- C.** “Moderate-income household” shall mean “middle-income,” as defined by Council.

II. **Institution Allocation**

A. **Sector Allocations:**

The total funds available for public institutions shall be allocated 80 percent for four-year institutions and Richard Bland College (RBC) and 20 percent for the Virginia Community Colleges. The total allocation for private non-profit institutions is set by state law. Accordingly, the sector allocations are as follows:

1. \$80 million for public four-year institutions
2. \$20 million for public community colleges
3. \$11 million for private non-profit institutions

B. **Institution Allocation Methodology:**

1. **Public Four-Year Institutions and RBC:** Shall be allocated based on a blended model that takes into account calculations of each institution's Pell-recipients, low- and middle-income, and Expected Family Contribution (EFC) enrollment.
2. **Virginia Community Colleges:** Shall be determined by the system office.
3. **Private non-profit institutions:** Shall be allocated based on a blended model that takes into account calculations of each institution's Pell-eligible, low- and middle-income, and Expected Family Contribution (EFC) enrollment. No one institution shall receive more than 10 percent of the total allocation for private non-profit institutions.
4. **Methodology details:**
 - a. **Pell-recipients:** The calculation starts with each institution's number of in-state Pell-eligible students enrolled. Though all institutions have Pell enrollments, the demographics of these enrollments will vary among institutions depending upon students' financial capacity and enrollment intensity, which is reflected in part by the average award at each institution. Among Pell-eligible enrollments, an institution with an average Pell award of \$4,000 would have a needier Pell population than one with an average Pell award of \$2,000 (Pell runs inverse of EFC). To compensate for these variances, the Pell enrollment is adjusted by the average Pell award for each respective institution. These values are totaled so that each institution's proportion of the total can be calculated.
 - b. **Low-Middle-Income Group:** The base calculation for this factor sums the number of low-income (no more than 200% of the federal poverty level) and middle-income (201%-400% of the federal poverty level) students. SCHEV weights low-income students at twice the weight of middle-income students and adjusting the headcount accordingly. These values are totaled so that each institution's proportion of the total can be calculated.

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- c. Expected Family Contribution (EFC): For each institution, the reported EFCs are split into tiers with each tier assigned a corresponding value. So, for example, an institution would be assigned a value of 1,000 for each student with an EFC of \$10,001 to \$15,000 and would be assigned a value of 5,000 for each student with an EFC of \$0. These values are totaled so that each institution's proportion of the total can be calculated.
- d. SCHEV takes the institution's proportion of all four-year public institutions plus Richard Bland College under each model and averages the three to determine the proportional allocation of the available funding.

C. Institution Allocations

Funding Levels	
Public 4-year	\$ 80,000,000
Public 2-year	\$ 20,000,000
Total Publics	\$ 100,000,000
Private Institutions	\$ 11,000,000
Total all institutions	\$ 111,000,000

Institution	Percentages Under the Models				Average of Models
	Pell Model	Low-Middle Income Model	EFC Model	Average of Models	
Christopher Newport University	1.6%	1.8%	1.7%	1.7%	\$ 1,349,995
George Mason University	17.3%	18.4%	19.0%	18.2%	\$ 14,594,236
James Madison University	6.3%	6.9%	6.5%	6.6%	\$ 5,263,954
Longwood University	2.6%	2.5%	2.4%	2.5%	\$ 2,000,498
Norfolk State University	6.3%	5.5%	6.3%	6.0%	\$ 4,835,606
Old Dominion University	17.2%	15.8%	16.5%	16.5%	\$ 13,211,972
Radford University	7.2%	6.9%	6.8%	7.0%	\$ 5,597,690
University of Mary Washington	2.0%	2.2%	2.1%	2.1%	\$ 1,706,817
University of Virginia	4.0%	5.4%	4.2%	4.5%	\$ 3,609,112
University of Virginia's College at Wise	1.6%	1.4%	1.3%	1.4%	\$ 1,136,696
Virginia Commonwealth University	16.2%	15.6%	16.2%	16.0%	\$ 12,825,303
Virginia Military Institute	0.4%	0.5%	0.4%	0.4%	\$ 346,672
Virginia State University	5.4%	4.3%	4.7%	4.8%	\$ 3,844,820
Virginia Tech	8.9%	10.0%	9.0%	9.3%	\$ 7,434,875
William & Mary	1.7%	1.8%	1.6%	1.7%	\$ 1,357,941
Richard Bland College*	1.1%	1.0%	1.2%	1.1%	\$ 883,813
Total Public 4-year + RBC	100.0%	100.0%	100.0%	100.0%	\$ 80,000,000
Virginia Community Colleges	100.0%	100.0%	100.0%	100.0%	\$ 20,000,000

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Institution	Percentages Under the Models				Average of Models
	Pell Model	Low-Middle Income Model	EFC Model	Average of Models	
Averett University	3.1%	3.3%	3.0%	3.1%	\$ 341,666
Averett University Non-Traditional	0.8%	0.8%	1.0%	0.9%	\$ 94,888
Bluefield College	3.7%	4.0%	3.9%	3.8%	\$ 422,694
Bridgewater College	5.2%	6.0%	5.0%	5.4%	\$ 595,199
Eastern Mennonite University	2.7%	3.3%	2.9%	3.0%	\$ 327,100
Emory & Henry College	3.3%	4.1%	3.4%	3.6%	\$ 398,630
Ferrum College	6.2%	5.2%	4.7%	5.4%	\$ 592,540
George Washington University	1.1%	2.0%	3.1%	2.1%	\$ 227,592
Hampden-Sydney College	1.5%	2.0%	1.6%	1.7%	\$ 187,356
Hampton University	4.8%	4.8%	4.3%	4.6%	\$ 509,008
Hollins University	1.6%	1.8%	1.4%	1.6%	\$ 175,095
Liberty University	10.0%	10.0%	10.0%	10.0%	\$ 1,100,000
Mary Baldwin University	5.8%	2.8%	6.4%	5.0%	\$ 549,183
Marymount University	4.9%	5.7%	5.0%	5.2%	\$ 569,543
Randolph College	2.4%	2.3%	2.1%	2.3%	\$ 248,458
Randolph-Macon College	2.9%	4.1%	3.4%	3.5%	\$ 380,978
Regent University	9.4%	10.0%	10.0%	9.8%	\$ 1,077,341
Roanoke College	3.5%	4.2%	3.5%	3.7%	\$ 408,262
Shenandoah University	3.7%	3.3%	4.6%	3.9%	\$ 428,375
Southern Virginia University	2.3%	1.8%	2.0%	2.0%	\$ 224,774
Sweet Briar College	0.6%	0.8%	0.7%	0.7%	\$ 75,821
University of Lynchburg	5.8%	6.1%	5.5%	5.8%	\$ 639,647
University of Richmond	2.5%	2.9%	2.6%	2.7%	\$ 293,123
Virginia Union University	6.6%	4.3%	4.4%	5.1%	\$ 558,224
Virginia Wesleyan University	5.3%	3.8%	5.0%	4.7%	\$ 515,560
Washington and Lee University	0.4%	0.7%	0.6%	0.5%	\$ 58,941
Total	100.0%	100.0%	100.0%	100.0%	\$ 11,000,000

Notes:

*RBC is part of the public 4-year distribution in the model

Christendom is not included as it does not receive Title IV funding

Not included as they do not support undergraduate programs:

EVMS, Appalachian School of Pharmacy and Edward Via College of Osteopathic Medicine

III. Student Awards

A. An eligible student must be:

1. Enrolled at least half time into an undergraduate degree program of study.
2. A Virginia student:
 - a. Public institutions: eligible for Virginia in-state tuition through a domicile review or other provision permitting students to be reported as a Virginia student or

- b. Private non-profit institutions: meet the domicile requirements for the Virginia Tuition Assistance Grant program or other state provision permitting students to be reported as a Virginia student.
- 3. Low- or moderate-income:
 - a. Low-income, as defined by council, refers to a family with household income of no more than 200% of the Federal Poverty Level (FPL);
 - b. Moderate income is deemed to mean middle-income, as defined by council, referring to a family with household income between 201% and 400% of FPL (inclusive).
 - c. Such income levels can be confirmed through either filing of the federal FAFSA, a state alternate application or otherwise verified by the institution.
- 4. Verified as demonstrating need by the awarding institution. See options under “Use of Funds” below. The student is not required to meet title IV eligibility requirements.

B. Use of Funds:

- 1. All institutional allocations are considered to be final. No new funding, allocations or redistribution will be made available.
- 2. All funds must be awarded directly to or on behalf of students enrolled on or after March 13, 2020 funds are expected to be used by June 30, 2023 but must be expended by no later than December 31, 2023.
- 3. Institutions may not discriminate against individuals on the basis of race, color, national origin, disability, or sex.
- 4. Institutions may prioritize students currently enrolled at the time of the award and prioritize students meeting certain enrollment thresholds.
- 5. Funds are not subject to standard return of funds calculations such as return to title IV. Recovered funds, if applicable, should be reissued to eligible students.
- 6. Institutions should prioritize those students demonstrating exceptional need.
- 7. Institutions may not:
 - a. establish a minimum GPA,
 - b. impose other academic or athletic performance or good standing requirements,
 - c. require continued enrollment in the institution or
 - d. require the student to first pay any outstanding debt or balance) that results in failure to prioritize students with exceptional need.
- 8. Awards should be based on some construct of need as determined by the institution:

- a. **Estimated Financial assistance:** Generally applied to the student's account based on "need" as determined by either EFC, a calculation of COA less EFC and/or gift aid, federal poverty level or income level.
- b. **Emergency assistance:** Generally paid directly to the student regardless of any current student account balances. Demonstrated financial distress related to the pandemic. Students may opt-in to apply funds directly to their student account.

Institutions may determine whether to allocate all or a portion of funds to either category of assistance, but all students considered under either methodology must be evaluated according to the same criteria within that method.

9. If used as estimated financial assistance:
 - a. Institutions may determine the need threshold in order to qualify for an award.
 - b. Awards may be applicable to any cost of attendance item, but the combination of all gift aid – grants and scholarships from any source - cannot exceed the student's individual cost of attendance.
 - c. These funds may be used to replace the student's total Expected Family Contribution.
 - d. Institutions may require that the student meet Satisfactory Academic Progress standards or meet higher than the minimum enrollment levels.
10. If used as emergency assistance:
 - a. Institutions may determine the verification methodology.
 - b. Institutions may restrict the award to specific categories of need, including but not limited to educational costs, household expenses, childcare, medical or transportation.
 - c. Institutions may set an award threshold, including a dollar amount or number of instances.
 - d. Such awards will not be included on the institution's financial aid data file or any other data collection used primarily for student financial assistance. Reporting for this use will be completed through a separate collection.

IV. Reporting

- A.** Institutions should be prepared to report, annually or upon request, the number of students and total funds awarded by each method used to disburse funds.
- B.** Records of awards must be maintained for a minimum of five years.
- C.** Institutions must maintain documentation of selection criteria and methodology used for all types of awards and use of these funds.

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- D.** If used as estimated financial assistance, awards will be reported as “Other federal aid” on the annual financial aid data file and will be reported separately on the annual S1/S2 reports.
- E.** If used as emergency assistance, institutions must be prepared to report student-specific eligibility verification and usage of funds.