



## **A+ Scholarship reimbursement for Spring 2015 semester**

Students who are eligible for the A+ Scholarship Program could potentially see a reduction in the number of credit or clock hours reimbursed by the program for the Spring 2015 term. Projections from the Department of Higher Education indicate that there may not be sufficient funds available to fully reimburse all eligible students. However, the program remains in effect, and all students will receive the majority of the 2014-2015 funding for which they are eligible.

The A+ Program typically covers tuition and general fees at participating community colleges, public vocational schools and certain private vocation-technical schools. The schools are reimbursed for tuition and fees that are not covered by federal financial aid (not including student loans).

The Department of Higher Education has notified schools about the potential reduction so they could provide information to students and their families as early as possible to help them plan accurately for college expenses.

The following Q&A provides additional information about the possible reduction in A+ Scholarship funds.

### **How much will the A+ Program reimbursements be reduced?**

It may be necessary for the department to reduce A+ reimbursement for tuition by a maximum of four credit hours or 150 clock hours. The department will not be able to determine the exact number of hours until later this year. The amount of the reduction will depend primarily on two factors: the number of students receiving reimbursement for the Summer 2014 term and the Fall 2014 term and whether or not state budget restrictions announced in June 2014 are lifted.

**November 2014 Update:** Gov. Nixon released the \$2 million budget restriction for the A+ Scholarship on Nov. 5, 2014. However, an A+ funding shortfall likely remains due to program growth. A reduction to the Spring 2014 award is still anticipated, although it is expected to be less than the four credit hour, or 150 clock hour, maximum. The department will announce the exact amount of the reduction in late December or early January.

### **Why would a reduction be necessary?**

A reduction would be necessary because the cost of making full reimbursements to all eligible students would be more than the funds available for distribution through the program. This is due to three factors:

*(continued)*

1. The increasing number of students using the program. Currently the MDHE estimates the number of students eligible for reimbursement will increase between three and five percent.
2. An increase in college costs. Even though tuition increases at Missouri's public two-year colleges have been among the lowest in the nation in recent years, costs are projected to rise by about 4 percent this year.
3. A shortfall in state revenue. Due to a possible shortfall in state revenue, budget restrictions were enacted earlier this summer for a number of state programs, including the A+ Scholarship Program.

**November 2014 Update:** Gov. Nixon released the \$2 million budget restriction for the A+ Scholarship on Nov. 5, 2014. However, an A+ Program funding shortfall likely remains due to program growth. A reduction to the Spring 2014 award is still anticipated although it is expected to be less than the four credit hour, or 150 clock hour, maximum. The department will announce the exact amount of the reduction in late December or early January.

### **How would the reduction in A+ Program reimbursements occur?**

Institutions would first calculate the student's award amount according to the program's policies. Students then would be required to pay for a maximum of four credit hours, or 150 clock hours, for the Spring 2015 term, and A+ would reimburse the remaining credit hours. If the initial award calculation results in four or fewer credit hours, or 150 or fewer clock hours, the student would be responsible for the full amount and would not receive A+ reimbursement.

In accordance with the program's policy, the following factors could affect the award calculation. Examples of each are provided, some resulting in A+ reimbursement and some resulting in zero A+ reimbursement. However, the underlying concept that the reduction is based on the standard award calculation is the same for each. In each example, it is assumed the maximum reduction will apply and there are no general fees.

- **Pell award** – As required by program statutes, federal non-loan student aid would first be applied to a student's tuition and general fees bill at a participating institution.

*Example:* A student who enrolls in 15 credit hours at \$100 per credit hour would owe \$1,500 in tuition. If the student received a \$500 Pell grant it then would be applied toward tuition, reducing the amount the student owed to \$1,000. The student would pay for four credit hours (\$400) and be reimbursed for six credit hours (\$600) by the A+ program. If the same student did not receive a Pell grant, the student would still pay for four credit hours but the A+ reimbursement would be \$1,100 (\$1,500 - \$400).

- **Repeated or withdrawn coursework** – As required by program regulations, A+ will not reimburse students for repeated or withdrawn coursework. In this situation, the student is responsible for the repeated or withdrawn coursework in addition to the amount owed as a result of the reduced A+ award.

*Example:* A student enrolls in 15 credit hours, three of which are repeated. The student then withdraws from an additional three, leaving a total of nine reimbursable hours ( $15 - 3 - 3 = 9$ ). Tuition is

(continued)

\$100 per credit hour and the student is not Pell eligible, making the total amount owed \$900 before the reduction is applied. The student would pay for four credit hours (\$400) and be reimbursed for five credit hours (\$500). In addition, the student would be responsible for \$300 for the repeated course and \$300 for the withdrawn course, for a total out-of-pocket expense of \$1,000 (\$400 + \$300 + \$300).

- **Institutional partnership agreements** – In accordance with program regulations, there are two partnership scenarios that may be considered when determining A+ eligibility. An example follows the description for each.

1. A partnership between an A+-participating institution and a non-A+ participating institution. In this scenario, the student must be considered to be enrolled full-time at the A+ institution, and reimbursement must be requested by the A+ institution. Only the coursework actually delivered by the participating institution is reimbursable.

*Example:* A student is enrolled in six credit hours at an A+ institution and six credit hours at a non-participating institution. The A+ institution considers the student to be enrolled full-time based on the combined enrollment. Only the six hours at the A+ institution is eligible for reimbursement. The tuition rate is \$100 per credit hour and the student is receiving a \$500 Pell award. The student would owe \$100 before the reduction is applied (\$600 tuition - \$500 Pell). Since the \$100 owed is less than the maximum \$400 reduction, the student would be responsible for the full \$100 and would not receive A+ reimbursement.

2. A partnership between two or more participating A+ institutions. In this scenario, the student must be enrolled in sufficient hours at a combination of the participating institutions to be considered to be enrolled full-time. Only one of the A+ participating institutions can request reimbursement as specified in the partnership agreement and the tuition rate reimbursed must be consistent with the rate charged to other students enrolled in the course.

*Example:* A student is enrolled in six credit hours at the A+-participating institution that will request reimbursement and in six credit hours at another A+-participating institution. The tuition rate consistent with the rate charged to other students enrolled in the course is \$100 per credit hour and the student is not eligible for Pell. The student would owe \$1,200 before the reduction is applied (\$600 at each institution). The student would be responsible for four credit hours (\$400), and A+ would reimburse the remaining eight credit hours (\$1,200 - \$400 = \$800).

- **Full-time enrollment definition for student with a disability defined by Title II of the Americans with Disabilities Act** – In accordance with program regulations, a student with an ADA-defined disability that prevents him from meeting federal Title IV full-time status may meet the A+ full-time enrollment requirement by enrolling in a *minimum* of six credit hours or their equivalent.

*Example:* A student is enrolled in six credit hours due to his qualifying disability. The tuition rate is \$100 per credit hour and the student is not Pell eligible. The student would owe \$600 before the

(continued)

reduction is applied. The student would pay for four credit hours (\$400) and A+ would reimburse the remaining two credit hours (\$200).

- **Other qualifying exceptions to the full-time enrollment requirement** – As allowed by program regulations, students may receive A+ reimbursement if they are enrolled less than full-time for one of the following reasons:
  - The student is enrolled in all of the available hours applicable to his program of study in a given term;
  - The student is participating in a required internship; or
  - The student is enrolled in pre-requisite courses that do not require full-time enrollment.

*Example:* A student is enrolled in nine credit hours, which are all of the hours applicable to her program that are available to her for the term. The tuition rate is \$100 per credit hour and the student is receiving a \$500 Pell award. The student would owe \$400 before the reduction is applied (\$900 tuition - \$500 Pell). Since the \$400 owed is equal to the maximum four hour/\$400 reduction, the student would be responsible for the full \$400 and would not receive A+ reimbursement.

#### **Will the reduction to the A+ Program reimbursements affect award amounts for other state student financial aid?**

If a student is eligible for both an A+ award and an Access Missouri award, the Access Missouri award must be reduced by the amount of the A+ reimbursement paid to the student. In instances where the A+ payment is larger than the Access Missouri award, the Access Missouri award is reduced to zero. This statutory provision has been in effect since 2007 and remains unchanged by the anticipated Spring 2015 reduction.

For example, if a student is eligible for a spring 2015 Access Missouri award of \$330 (the maximum semester award at a Community College) and received a reduced spring 2015 A+ payment of \$100, the student's Access Missouri award would be reduced to \$230. However, if the same student received a reduced spring 2015 A+ payment of \$600, the Access Missouri award would be reduced to zero because the \$600 A+ payment exceeds the \$330 Access Missouri award.

No other state student financial aid programs have this type of relationship with the A+ Program so they will not be affected by the reduced A+ reimbursement.

#### **When were colleges notified about the possible reduction in the program?**

The Department of Higher Education notified community colleges on August 29 that a possible reduction in reimbursement could occur for the spring 2015 term. A letter to students was also provided to the colleges to help them communicate the information to students and their families. Additional information will be provided to colleges once the department has determined the exact number of hours that will be reduced.

For more information about the A+ Scholarship Program, visit:

<http://dhe.mo.gov/ppc/grants/aplusscholarship.php>.