



• New York State Financial Aid Administrators Association •

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## **NYSFAAA State Student Aid Proposals – Student Aid Alliance Advocacy #StandUp4StudentAid – February 2022**

The New York State Financial Aid Administrators Association (NYSFAAA), an association of student financial aid professionals from across the state representing all sectors of our diverse higher education system, proposes a number of recommendations designed to safeguard access to an affordable college education for all academically qualified students. Our proposals stem from a need to better serve our state's students, to help students with demonstrated financial need make college possible, and also focus on streamlining the financial aid application process.

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### **Recommendation #1:**

#### **Support Meaningful TAP Awards for New York State Students**

– Increase Minimum TAP Award and Expand Income Eligibility –

**Just as the maximum award amount was recently increased to \$5,665, we believe an equal \$500 increase in the minimum TAP award, raising it to \$1,000, is long overdue. Expanding access to TAP for more moderate income families is also overdue, NYSFAAA supports phasing in an increase in the TAP income eligibility from \$80,000 to \$110,000 NYS Net Taxable Income (NTI). Establish a funding formula for future years (post-FY 2023) whereby TAP would be increased annually to keep pace with inflation.**

#### *Rationale:*

*We are grateful to the Legislature for increasing the maximum Tuition Assistance Program (TAP) Award by \$500 starting in the 2021-2022 academic year – the first major increase in TAP award amounts in 20 years. We also support the Governor's FY 2023 Executive Budget proposal to expand TAP for part-time students in degree programs and community college students enrolled part-time in high-demand workforce credential programs as well as granting incarcerated individuals' access to TAP. We believe that part-time TAP should also be expanded to all degree-seeking NYS students, including those studying at proprietary colleges.*

We do note, however, that the New York State TAP award schedule has not kept pace with the U.S. inflation rate nor does it adequately address that the significant financial hardships brought upon by the ongoing pandemic for families trying to meet higher education costs. Just as the legislature recognized that the need to raise the TAP award ceiling, we believe that the current TAP award minimum of \$500 needs to be equally adjusted to reflect significant increases in college cost of attendance as well as basic cost of living expense increases over the last 20 years. The TAP maximum income threshold of \$80,000 in NYS Net Taxable Income (NTI) for dependent students has also not been increased in over 20 years. As such, access to TAP for many moderate income families and students has steadily been decreasing. **Senate bill S.1889, that was advanced in the 2019-2020 legislative session, recognized the need to increase the maximum TAP income eligibility level, raising it from \$80,000 NYS Net Taxable Income (NTI) to an NTI of \$95,000.** We urge passage of similar legislation that would phase-in income adjustments to expand access to TAP for students and families with up to \$110,000 NTI.

### **Recommendation #2:**

#### **Eliminate Disparity in Access to TAP Awards**

– Standardize Dependent & Independent Student TAP Award Schedules –

**Use the same TAP Award Schedule, income, and maximum award eligibility for all students regardless of their Dependency Status.** Currently independent students who are married or single and have no tax dependents receive significantly lower TAP awards compared to dependent students and independent students with tax dependents (with a maximum award of \$3,525 compared to \$5,565 for the later group). There is also a significant difference in the maximum income allowed, with eligibility for TAP for independent married students without dependents limited to those below \$40,000 NYS Net Taxable Income (NTI) while eligibility for single independent students without dependents is restricted to those with NTIs no higher than \$10,000. **We believe that the current TAP Award eligibility structure disadvantages many independent students and strongly urge you to pass legislation that would fully eliminate award discrepancies based on dependency status alone.**

#### *Rationale:*

In a December 2019 survey of NYSFAAA members, 73% of aid administrators supported treating dependent and independent students similarly, and there is strong sentiment that the current disparity in TAP awards significantly disadvantages independent students who have no dependents. In fact, many aid administrators commented that independent students often have less disposable income available to them than dependent students because they have to provide for all of their own expenses. Certainly, tax dependents and spousal income should be factored into an adjusted NTI calculation to ensure that relevant income and expenses for family members are factored into the determination for aid eligibility; however, the NYSFAAA membership strongly supports elimination of the current separate and unequal TAP Award schedules for independent students.

### **Recommendation #3:**

## **Support Opportunity Programs Serving Our Most Vulnerable Students**

– Enhance Funding for Opportunity Programs –

**To continue to support access and effective programming, we urge the legislature to further increase Opportunity Program funding for:** the Arthur O. Eve Higher Education Opportunity Program (HEOP), Educational Opportunity Program (EOP), College Discovery Program, Search for Education, Elevation, and Knowledge (SEEK) Program, the Collegiate Science and Technology Entry Program (CSTEP), its high school counterpart STEP, and the Liberty Partnerships Program (LPP).

### Rationale:

*We are encouraged that the Governor is proposing a **10% increase** in Opportunity Program funding in the FY 2023 Executive Budget and we urge the Legislature to also support increasing Opportunity Programs' funding for the many deserving students who need it now more than ever.*

The NYS Opportunity Programs have a long and well-established track record of successfully supporting a diverse population of economically and academically disadvantaged students to persevere and complete their programs of study. Opportunity Programs lead to improved graduation rates and are well worth an increasing investment of our tax dollars. The academic, co-curricular, and financial support provided by these programs make a real difference in the lives of students in opportunity programs who are traditionally at higher risk of not graduating.

### **Recommendation #4:**

## **Support HESC and Expand Use of Professional Judgment (PJ) Authority**

– Fund HESC Initiatives and Provide Greater Flexibility for State Aid Professional Adjustments –

**Support the essential work of the Higher Education Services Corporation (HESC):**

- **Ensure funding to support the revitalization and streamlining of the State Aid application process to help increase the overall number and completion rate of students applying for TAP and other State Grant funds.**
- **Ensure that eligible students whose loans have been in pandemic forbearance will still be able to apply for the NYS Get on Your Feet Loan Forgiveness Program beyond the normal 2-year application window.**
- **Empower HESC with greater professional judgment authority and flexibility to assist students with extenuating financial circumstances that could pose an access barrier to college attainment.**

### Rationale:

Financial Aid Administrators (FAAs) are allowed to exercise “Professional Judgment (PJ)” for Federal Title IV programs for defined, well-documented extenuating circumstances, allowing adjustment of aid awards to better reflect significant changes in family circumstances or a student’s and/or family’s ability to pay based on losses to family income. Colleges work with students who have been abused, abandoned, and/or severely neglected by their parent(s) or legal guardian(s), with students who are

homeless (or at risk of becoming homeless), as well as students who have an incarcerated parent(s). Under current NYS law HESC has very limited provisions for reviewing student “special circumstances.” This disparity between Federal and NY State policy creates frustration, confusion, and discouragement for students facing real hardships. This increased professional judgment authority would give HESC the ability to consider granting independent status (i.e. “Dependency Overrides”), or to revise household income and certain other data elements with appropriate documentation that is similar to Federal guidelines that enable colleges to assist students with unique and difficult circumstances that could otherwise prevent equitable access to higher education and persistence to degree completion.

**Recommendation #5:**

**Continue to Protect Bundy Aid Funding**

**Protect Bundy Aid Funding** – The Governor’s Executive Budget provides level funding for Bundy Aid for state fiscal year 2023, a critically important program to Independent Sector institutions that has been used historically to support direct student aid. At this time, we don’t anticipate that colleges will be receiving any additional COVID-19 related Higher Education Emergency Relief Fund (HEERF) support from the federal government. As such, Bundy Aid funding is essential support to help independent colleges and the students they serve in rebounding financially from this prolonged pandemic. **We urge the Governor and the Legislature to ensure full funding of Bundy Aid in the FY 2023 Budget.**

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