



**COMMONWEALTH of VIRGINIA**  
**STATE COUNCIL OF HIGHER EDUCATION FOR VIRGINIA**  
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**MEMORANDUM**

**TO:** Financial Aid Directors, Baccalaureate public institution of higher education  
Financial Aid Directors, Associate-degree-granting public institution of higher education  
Financial Aid Directors, Nonprofit private institution of higher education  
participating in state financial aid programs

**FROM:** Atif Qarni, Secretary of Education  
Peter Blake, Director, SCHEV

**DATE:** December 16, 2020 (Originally released April 24, 2020, updated August 10, 2020)

**SUBJECT:** **COVID-19: Commonwealth of Virginia Guidance for State Financial Aid**

The coronavirus COVID-19 pandemic of 2019-20 has resulted in widespread disruption of services across society and the globe. These disruptions call for unprecedented responses from federal, state and local governments. In response to its impact on the Commonwealth of Virginia, on March 12, 2020, Governor Northam signed Executive Order Number 51 (EO-51), which included the following:

*C. Authorization for the heads of executive branch agencies, on behalf of their regulatory boards as appropriate, and with the concurrence of their Cabinet Secretary, to waive any state requirement or regulation, and enter into contracts without regard to normal procedures or formalities, and without regard to application or permit fees or royalties. All waivers issued by agencies shall be posted on their websites.*

By way of this memorandum and pursuant to the authority provided by EO-51, SCHEV addresses the impact of the COVID-19 virus on state financial aid programs. SCHEV notes that the federal Department of Education provided guidance ([March 5 and updated March 20, 2020](#)) to institutions for interruptions of study related to COVID-19. SCHEV endorses these options and any ensuing federal financial aid guidance, as available and applicable.

**Scope of guidance:** The following state financial assistance guidance is applicable for the spring 2020 term and as that term affects eligibility for the 2020-21 award year only.

### 1. Emergency federal aid for students

**Issue:** Through the CARES Act and other measures, the federal government is using the institutions as a vehicle for providing emergency assistance to students. Federal student funding is normally considered educational financial assistance (EFA) that reduces student need and eligibility for need-based aid.

**Guidance:** Consistent with federal guidance for federal student aid, federal dollars not designated as EFA should be excluded from any calculation of student need for purposes of determining eligibility for state assistance.

### 2. Reduction in financial need in spring 2020

**Issue:** Retroactive cancellation of courses or services reducing the student's cost of attendance may trigger a student having to reimburse a portion of student financial assistance.

**Guidance:**

- A. If the student's cost of attendance is not impacted, there is no reduction in need and it is not necessary to review eligibility for state assistance.
- B. If financial need is reduced, the institution should not reduce the state award except to resolve over-awards (tuition/books, tuition or cost of attendance) as required by the respective state assistance program regulations.

### 3. Financial aid adjustments in 2020-21

**Issue:** Due to the COVID-19 virus, many students experienced interruptions in their on-campus housing, meals and other prepaid services and accommodations included in the cost of attendance calculation. Some institutions are considering whether to "roll these resources forward" by applying credits or reduced program costs to 2020-21.

**Guidance:** As state financial aid already uses "federal methodology" as a basis for the need calculation, SCHEV recommends that institutions continue to follow the federal Department of Education guidance for treatment of these resources in 2020-21.

### 4. Alterations in course grading policies

**Issue:** As acknowledgement of interruptions to the educational process, institutions are considering changes to the standard grading scale (often A-F) used to calculate student grade point average (GPA). Alternatives include using a variation of the pass/fail or credit/no-credit systems. Each of these alternative grading scales provides academic credit but withholds the affected course(s) from the GPA calculation.

**Guidance:** Each student continues to have a calculated GPA for purposes of satisfying Satisfactory Academic Progress (SAP) requirements. These policies also demonstrate full-time enrollment and accumulation of course credits toward degree completion. The institutions should continue to rely on the available GPA and total credits accumulated, subject to further guidance from the federal government.

5. **Virginia Guaranteed Assistance Program (VGAP): continuous full-time enrollment**

**Issue:** State law requires that the VGAP recipient “maintains continuous full-time enrollment.”

**Guidance:** If the student falls below full-time enrollment levels for spring 2020 due to a retroactive withdrawal of a course(s), SCHEV uses existing regulatory authority to authorize institutions to waive the VGAP continuous full-time requirement, which preserves the student’s eligibility for VGAP in the immediate following fall term if the student meets all other eligibility criteria.

*UPDATE: This guidance is extended through June 30, 2021. (signed Dec. 16, 2020)*

6. **Optometry Grant Loan Program and Cybersecurity Public Service Scholarship**

**Issue:** Students under repayment, or who may become subject to repayment due to loss of a position, are facing economic challenges of maintaining their financial obligations. The federal government already has provided a payment and interest freeze.

**Guidance:** Using existing authority as signatory of the individual promissory notes, effective April 1, 2020, any scheduled monthly loan payments and accrual of interest are suspended for six months until October 1, 2020. Individuals wishing to make payments during this time will have their full payment applied to the outstanding balance.

*UPDATE: This guidance is extended through June 30, 2021. (signed Dec. 16, 2020)*

7. **Two-Year College Transfer Grant**

**Issue:** Despite the opportunity to accept pass/fail or credit/no credit instead of a grade, many students may struggle to maintain the required 3.0 grade point average (GPA) required by the Two-Year College Transfer Grant (CTG) program. Due to changes in course delivery, interruptions to the educational process and changes in lifestyle due to the pandemic, students are experiencing greater stress than normal, which may lead to lowered academic performance.

**Guidance:**

- A. For purposes of meeting the renewal requirements for the CTG program, the institution may use the student’s official cumulative GPA available at the end of fall 2019 term or the official cumulative GPA available at the beginning of fall 2020.

- B. Students whose initial enrollment is spring 2020 and who chose to accept alternate grading of pass/fail or credit/no credit for all courses could have a recorded 0.0 GPA. For purposes of the CTG program, these students are not considered to have an earned GPA and so are not considered to have failed the program's minimum GPA requirement.

8. **Full-time enrollment requirement:**

**Issue:** The below programs require full-time enrollment of all award recipients:

- **Virginia Guaranteed Assistance Program (VGAP)**
- **Graduate Virginia Commonwealth Award**
- **Virginia Tuition Assistance Grant (TAG) Program**
- **Virginia Two-Year College Transfer Grant (CTG)**

Due to COVID-19 concerns, some institutions have decided to cancel courses no longer available to students due to closure of in-person classes. If conducted retroactively with full tuition reimbursement, this would have the effect of the student being enrolled full-time at the time an award is posted, but the final official academic record would reflect less than full-time enrollment.

**Example:** The student's full-time course load includes an 8-week lab class or a study abroad class in the second half of the spring 2020 term. Due to closure of in-person classes, the student is unable to complete (in many cases unable to begin) the class and so the institution issues a full retroactive removal of the class from the record and full refund of the tuition.

**Guidance:** Students enrolled full-time as of the time of the initial awarding retain eligibility for the award; however, institutions should resolve all over-award restrictions.

9. **Virginia Guaranteed Assistance Program (VGAP) progression rule**

**Issue:** Due to COVID-19 related issues of lowered academic performance and closed classes (some examples provided in the above two issues), the student is unable to complete successfully all courses and fails to advance class level. State statute limits VGAP eligibility to one year of award per class level. Students failing to advance class level after one year are not VGAP eligible until successfully advancing class level. These students would be considered for the Virginia undergraduate Commonwealth Award in the interim.

**Guidance:** Students experiencing a course cancellation may have an opportunity to make up the needed course hours over the summer. If students are unable to accumulate the needed credits before fall 2020, setting aside the "one year of VGAP for each class level" rule would merely delay the problem as students would still face having to complete an increased workload in 2020-21 in order to stay on schedule to advance class level again before fall 2021.

For students failing to advance class level after receiving one year of VGAP, institutions should review such students' eligibility for a Commonwealth award for fall 2020; however, institutions may offset the reduced aid (the differential between a VGAP and Commonwealth award) by providing an additional award bonus, the amount to be determined by the institution.

**UPDATE:** *This guidance is extended through June 30, 2021. (signed Dec. 16, 2020)*

## 10. New Economy Workforce Credential Grant

**Background:** This program operates on a pay-for-performance model for completion of both the training program and the workforce credential. The current process is as follows:

1. Responsibility for the initial one-third payment:  
An eligible student pays the initial one-third of costs upon enrollment.
2. Responsibility for the second one-third payment depends upon program completion:
  - a. If the student completes the training program, the state pays one-third of the cost to the institution.
  - b. If the student does not complete the training program, the institution bills the student for the additional (second) one-third of the cost.
3. Responsibility for the final one-third payment depends upon completion of the certification:
  - a. If the student completes the program and the certification, the state pays the remaining one-third of the cost to the institution.
  - b. If the student completes the program but does not complete the certification, the institution receives no further compensation and must absorb the final one-third of the cost.
  - c. If the student is unable to complete the program of study and does not complete the certification, the student is liable to pay the institution for the second-third, and the institution does not receive compensation for the final third associated with the credential completion and must absorb the final one-third of the cost.

**Note:** The following guidance applies to (i) programs that began prior to March 1, 2020, and ended after March 1, 2020, and (ii) programs that began between March 1, 2020, and April 1, 2020.

### **Scenario 1:**

**Issue:** The student is individually unable to complete the program of study.

**Guidance:** The institution shall not charge the student the second one-third cost, and the institution may instead receive the second one-third and final one-third payment from state program funds based on the average training and credential completion rates of the specific workforce program for the prior year.

**Scenario 2:**

**Issue:** The program was canceled and there was no opportunity to complete the program.

**Guidance:** The institution shall refund the student the initial one-third cost and the institution may receive the second one-third payment from program funds based on the average completion rate of the training program for the prior year.


**Scenario 3:**

**Issue:** The student completes the program but is unable to complete the credential.

**Guidance:** The institution shall receive the remaining one-third of program funds based on the average credential completion rate of the specific workforce program for the prior year.

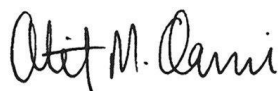
By authority provided under EO-51, the above guidance is approved for the spring 2020 term and as that term affects student eligibility for the 2020-21 award year. The COVID-19 pandemic's impact on Virginia state financial aid is under constant review and new or extended guidance will be provided if, and when, deemed necessary.

Signed:



Peter Blake, Director, SCHEV

April 24, 2020



Atif Qarni, Secretary of Education

April 24, 2020

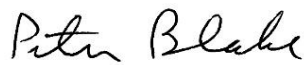
**Updated (August 10, 2020):**

**11. Awarding of Tuition Assistance Grants (TAG) to students enrolled fully on-line due to COVID-19.**

**Background:** During the 2020 session of the Virginia General Assembly, legislators restricted use of TAG for on-line enrollment. An exception to this policy was permitted if the institution required on-line education in response to COVID-19 concerns.

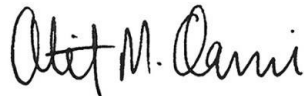
It was not anticipated that institutions would be offering students the choice between in-person and on-line instruction. Consequently, many students have opted for on-line education due their own individual health risks, or other COVID-related concerns, and not directly as result of an institution requirement.

**Guidance:** For the 2020-21 award year, students enrolling into a campus-based program of study who opt to enroll fully on-line due to a COVID-19 related concern may be awarded TAG, if otherwise meeting all eligibility criteria. New students enrolled into a distance learning or on-line program of study will continue to be ineligible to receive TAG.



Peter Blake, Director, SCHEV

August 10, 2020



Atif Qarni, Secretary of Education

August 10, 2020

**Updated (December 16, 2020):**

**12. Income threshold for the Financial Assistance for Non Credit Training leading to Industry Credentials (FANTIC).**

**Background:** The Appropriation Act, § 4-5.01, authorizes Virginia's community colleges to provide financial aid awards to students enrolled into certain industry-based certification programs. These certification programs are often referred to as Fast Forward and the Virginia Community Colleges refers to the financial aid awards as FANTIC. To receive a FANTIC award, the student must demonstrate financial need. This is identified in guidance as having income that is 200% or less of the federal poverty level.

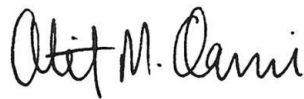
During the 2020 pandemic, Virginia's community colleges are experiencing a drop in enrollment system-wide. Safety precautions have also restricted the types of credential programs offered and the density of enrollment. These factors have combined to result in having fewer students qualify for the FANTIC award, meanwhile, there are interested students who fall just outside of the income threshold and could benefit from these otherwise unused funds.

**Guidance:** The income threshold to be considered for a FANTIC award shall be increased to 400% or less of the federal poverty level. This exception shall be effective until June 30, 2021.



Peter Blake, Director, SCHEV

December 16, 2020



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December 16, 2020