



## **Federal & State Updates: Changes that affect students**

Solano Community College will post any changes to the Federal Rules and Regulations that govern the Financial Aid process and student eligibility to this page. Due to frequent updates, check this page often.

### **December 18, 2012 – State**

**California Dream Act of 2011** – AB-540 undocumented students at community colleges are now eligible to apply for privately funded scholarships, BOG fee waivers for terms starting after January 1, 2013, assistance from EOPS, CARE, or CalWORKS (beginning January 1, 2013), state financial aid like Cal Grants and Chafee Grants for Foster Youth (beginning 2013-2014 academic year).

- AB-540 eligible students must meet all the following criteria:
  - Attended a California high school for at least 3 years,
  - Graduated from a California High School, received a GED, or passed the California High School Proficiency Exam (CHSPE),
  - Registered and enrolled at a California post-secondary institution (community college or university),
  - If required, complete an affidavit saying you have filed (or will file when you are eligible to do so) for legal immigration status.

### **January 18, 2012 – Federal**

**Auto-Zero EFC Income Threshold**- Public Law 112-74 amended HEA section 479(c) to reduce the income threshold for an automatic zero expected family contribution (EFC) from \$30,000 to \$23,000 for the 2012-2013 award year for both dependent and independent students.

**Ability -to-Benefit**-Public Law 112-74 amended HEA section 484(d) to eliminate Federal student aid eligibility for students without a “certificate of graduation from a school providing secondary education or the recognized equivalent of such a certificate.” The law makes an exception for students who have completed a secondary school qualify for Title IV student aid under one of the ability-to-benefit (ATB) alternatives if the student was enrolled in a Title IV eligible program prior to July 1, 2012.

- We note that this change does not affect students with intellectual disabilities who are enrolled in approved Comprehensive Transition and Postsecondary Programs. Students who enroll in such programs remain eligible for Title IV assistance from the Federal Pell Grant, Federal Supplemental Educational Opportunity Grant, and Federal Work Study programs even if they do not have a high school diploma or its recognized equivalent.
- The elimination of ATB alternatives to a high school diploma (or recognized equivalent) applies to students who first enroll in a program of study on or after July 1, 2012. Therefore, a student who does not possess a high school diploma, or a recognized equivalent, but who is or was, enrolled in a Title IV eligible program any time prior to July 1, 2012, may be eligible to receive Title IV student assistance under ATB alternatives.



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**Repeating/Retaking Coursework** – Effective July 1, 2011, students may receive federal financial aid for one (1) course repetition after receiving a passing grade to receive a better grade.

**2012-2013 Federal Pell Grant Amounts**-Public Law 112-74 included funds to establish the maximum Federal Pell Grant award for the 2012-2013 Award Year at \$4,860. However, HEA section 401 (b) (7) provides for an automatic increase to the appropriate Federal Pell Grant maximum award for 2012-2013 of \$690, resulting in a 2012-2013 maximum award of \$5,550.

**Minimum Federal Pell Grant Award and Maximum EFC**-Public Law 112-74 amended HEA section 401(b) (4) to change the minimum Federal Pell Grant award calculation. Specifically, the new law establishes the minimum Federal Pell Grant award for a student at ten percent of the maximum award amount for the award year. Therefore, beginning with the 2012 award year, students will not receive a Federal Pell Grant if they are not eligible for at least ten percent of the maximum award for the academic year.

**Federal Pell Grant LEU (Lifetime Eligibility Used) Duration of Eligibility**-Public Law 112-74 amended HEA section 401(c) (5) to reduce the duration of a student's eligibility to receive a Federal Pell Grant from 18 semesters (or its equivalent) to 12 semesters (or its equivalent). This provision applies to all Federal Pell Grant eligibility students effective with the 2012-2013 award year. The calculation of the duration of the student's eligibility will include all years of the student's receipt of Federal Pell Grant Funding. We will calculate the equivalency by adding together each of the annual percentages of a student's scheduled award that was actually disbursed to the student.

**Verification** (34 CFR 668.51-61) – The verification process and forms have been revised for the 2012-13 award year.

- Copies of tax returns are no longer accepted as documentation of income. Students and parents must either participate in the IRS Data Retrieval process (draw down data from IRS directly onto the FAFSA and not make changes) or submit a tax transcript from the IRS.
- Verification of food stamps, number in college, and child support paid will now be required.

**Grace Period Interest Subsidy**-Public Law 112-74 amended HEA section 428(a)(3)(A)(i)(I) to temporarily eliminate the interest subsidy provided on Direct Subsidized Loans during the six month grace period provided to students when they are no longer enrolled in at least a half-time basis. This change will be effective for new Direct Stafford Loans for which the first disbursement is made on or after July 1, 2012, and before July 1, 2014.