Item Name: Proposed Revision of ABOR Policy 4-323 “Tuition Waiver Scholarships and Institutionally Supported Financial Aid Programs-Student Financial Aid” (First Reading and Immediate Implementation)

Action Item

**Requested Action:** The board office and the universities ask the board to review on first reading and approve for immediate implementation the proposed revisions to ABOR Policy 4-323 “Tuition Waiver Scholarships and Institutionally Supported Financial Aid Programs-Student Financial Aid”.

**Background/History of Previous Board Action**

In 2021, Arizona established the Arizona Promise Program administered by the board and the Legislature appropriated state funding to support the program.

Under the current program, the universities must award funds to new first-time, full-time, resident students who are admitted into the institution after the Fall semester 2021 and who timely complete a Free Application for Federal Student Aid (FAFSA) and are eligible for the maximum Pell award and/or have a Zero ($0) Expected Family Contribution (EFC).

The Arizona Promise award amount is up to the actual cost of in-state tuition, mandatory fees, and program fees.

The award is a last-dollar award amount, which means the student’s other federal, state, private or public scholarship, grant, or gift aid reduces the student’s Promise award.

The board is responsible for developing and implementing centralized administrative processes for distributing the fund each fiscal year. The board adopted policy governing the administration of the program at its February meeting.

**Discussion**

The board office and the universities ask the board to revise the policy to allow greater flexibility to administer the program.

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These changes are necessary for immediate implementation to comply with the law and to allow any first-time, full-time, resident students admitted into to an ABOR university who timely complete a Free Application for Federal Student Aid (FAFSA) and are eligible for any Pell award.

The changes also include a correction to a scrivener’s error in section (E)(4), as an incorrect section was deleted in the last board meeting, impacting readability. The changes are highlighted in yellow for clarity.

The Arizona Promise Program will now support all students who were new first time, fulltime resident students admitted to an ABOR university, but it does not include transfers from other institutions.

The board office asks the board to review this proposed policy on first reading and approve for immediate implementation pursuant to ABOR Policy 1-202(J). Immediate implementation is necessary, so the changes can be applied in the Spring 2023 semester.

**Statutory/Policy Requirements**

A.R.S. §15-1701 “Arizona Promise Program; eligibility requirements; award; fund; definitions”

A.R.S. §15-1626 “General Administrative Powers and Duties of the Board”

ABOR Policy 1-202 “Procedures for Adoption of Rules by the Board”
Proposed revision to ABOR Policy 4-323 “Tuition Waiver Scholarships and Institutionally Supported Financial Aid Programs-Student Financial Aid”.

E. Arizona Promise Program

1. Universities shall award the Arizona Promise as established by A.R.S. §15-1701 to a student who:
   a. Is admitted to an ABOR institution as a new first-time, full-time, on campus degree seeking student during and after the Fall semester 2021;
   b. Is an Arizona resident per A.R.S. §15-1802;
   c. Graduated from an Arizona high school;
   d. Graduated with a minimum 2.5 cumulative high school grade point average on a 4.0 scale;
   e. Timely completes and submits to the United States Department of Education the Free Application for Federal Student Aid (FAFSA); and,
   f. Meets the eligibility criteria for the Federal Pell Grant. For the purposes of this program, Federal Pell Grant means the maximum ANY Federal Pell Grant award with a zero expected family contribution.

2. Student must enroll at university at the beginning of the Fall or Spring semester immediately after Arizona high school graduation, with only breaks or gaps in enrollment allowed by institutional policy.

3. Students who submit to the United States Department of Education the FAFSA form with the ABOR university appropriately listed no later than April 1 of the spring preceding the academic year in which the student is applying will be given funding priority.

4. THE ARIZONA PROMISE TUITION AND FEE AWARD WILL BE UP TO THE FULL COST OF TUITION, MANDATORY FEES, AND PROGRAM FEES. THE AWARD SHALL BE applied after and reduced by the amount of any of the following received by the student:
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a. federal aid;
b. state aid;
c. private aid and scholarships;
d. public scholarships or grants.

5. The universities will calculate the Arizona Promise Award amount one time, and after that initial award, the universities will not recalculate the award amount unless it is to benefit the student or otherwise required by Title IV of the Higher Education Act of 1965.

6. Any institutional gift aid granted to qualifying students for tuition, mandatory fees, and program fees shall be identified as Arizona Promise. An Arizona Promise award, however, does not prevent a university from awarding a student other institutional need-based gift aid for other costs of attendance.

7. Students are eligible for the Arizona Promise program for eight academic semesters or their equivalent. Semesters must be continuous Fall and Spring with breaks allowed by institutional policy.

8. To renew the Arizona Promise Program award a student must:
   a. Complete and submit to the United States Department of Education the FAFSA form no later than April 1;
   b. Maintain at least full-time status as determined by federal student financial aid guidelines;
   c. Maintain satisfactory academic progress as required for eligibility for federal student financial aid; and
   d. Continue to meet the eligibility criteria for the Federal Pell as defined in this policy.