



INITIATIVES THAT MEET THE CHALLENGE

COLLEGE SAVINGS FOUNDATION 2010
SUMMIT

SEPTEMBER 29, 2010

WASHINGTON, DC

Virginia529
College Savings Plan





SAVING FOR HIGHER EDUCATION

“A GROWING BODY OF RESEARCH SUGGESTS THAT PARENTAL AND CHILDREN’S SAVINGS CAN MAKE COLLEGE ATTENDANCE AND COMPLETION MORE LIKELY AMONG LOW- AND MIDDLE-INCOME FAMILIES

– NOT ONLY BY CREATING GREATER FINANCIAL STABILITY, BUT BY CREATING AND MAINTAINING EXPECTATIONS FOR ATTENDING AND COMPLETING COLLEGE.”

Source: *Closing the College Expectations and Attendance Gap through Savings*
Mark Huelsman, New America's California Asset Building Program



SETTING THE STAGE

- State Initiatives Beyond Federal Financial Aid
- Three Primary Types of Programs
 - Matching Grants
 - Direct Scholarship
 - Early Commitment Programs
- Access and Affordability
- Success and Completion
- Strategic Partnerships Leverage Opportunities



WHAT OTHERS ARE DOING

Matching Grant Programs

- Typically 1-1 or 2-1 match
- Maximum: \$300 - \$600
- Based on household income
- Offered by ten 529 plans

Early Commitment Programs

- Household incomes 200% of poverty level or less
- Need and merit criteria - Student pledge
- Plans/States commit financial aid
- Commence in middle or early high school

Other Models

- IDAs (Individual Development Accounts)
- Scholarships
 - At-Risk Students
 - Community Service
 - All newborns
 - Target disciplines (e.g., STEM, health care, teaching)

MATCHING GRANT PROGRAMS



Table 4
State Section 529 Matching Grant Programs for Low and Middle Income Families*

State	Matching Grant*
Arkansas	<ul style="list-style-type: none"> • 200% match up to \$500 grant/year, family AGI no higher than \$30,000 • 100% match up to \$500 grant/year, family AGI between \$30,000 and \$60,000
Colorado	<ul style="list-style-type: none"> • 100% match up to \$500 grant/year, family income less than 200% of poverty, for maximum of 5 years
Kansas	<ul style="list-style-type: none"> • 100% match for annual contributions between \$101 and \$600, family income less than 200% of poverty level, maximum of 3 years
Louisiana	<ul style="list-style-type: none"> • 14% match, family AGI less than \$30,000 • 12% match, family AGI between \$30,000 and \$44,999 • 9% match, family AGI between \$45,000 and \$59,999 • 6% match, family AGI between \$60,000 and \$74,999 • 4% match, family AGI between \$75,000 and \$99,999 • 2% match, family AGI \$100,000 and above
Maine	<ul style="list-style-type: none"> • \$200 grant when account opened with contribution of \$50 or more • 50% match up to \$200 grant/year, must contribute \$50 or more, family AGI \$75,000 or less
Michigan	<ul style="list-style-type: none"> • 33-1/3% match up to \$200 grant for first year of enrollment, family AGI \$80,000 or less
Minnesota	<ul style="list-style-type: none"> • 15% match up to \$400 grant per year, family AGI \$50,000 or less • 10% match up to \$400 grant per year, family AGI between \$50,000 and \$80,000
North Dakota	<ul style="list-style-type: none"> • 100% match up to \$300 grant in year account opened, family AGI below \$40,000 (single) or \$80,000 (joint). • 100% match up to \$300 grant per year, family AGI below \$40,000 (single) or \$80,000 (joint), maximum of 3 years.
Rhode Island	<ul style="list-style-type: none"> • 200% match up to \$1,000 grant, family's AGI of \$71,000 or less • 100% match up to \$500 grant, family AGI between \$71,000 and \$86,000
Utah	<ul style="list-style-type: none"> • 100% match up to \$400 grant, family income less than 200% of poverty, limited to 500 accounts.

Source: Boshara et.al (2009), <http://www.savingforcollege.com>, and web sites for the various plans.

*Grants available to account owners who are either single or married filing jointly, and who are parents of the beneficiary.

Source: *An Analysis of Section 529 College Savings and Prepaid Tuition Plans*,
 The Department of the Treasury - September 2009



OTHER PROGRAMS

- **Individual Development Accounts (IDAs)** - Federally established matching grant program
- **Georgia HOPE** - Need and merit based grants
- **SEED for Oklahoma Kids (“SEED OK”)** - seed college funds
- **Hispanic College Fund** - Need and merit-based scholarships
- **California ScholarShare** - Needs based for at risk, foster care youth
- **Florida** - Scholarships for At Risk Youth thru prepaid foundation
- **Illinois** – Bright Start funds scholarships at state universities
- **Maine** - \$500 Alford Scholarships for all newborns - NextGen
- **New Jersey** - Scholarships for participants in NJ Best 529



EARLY COMMITMENT PROGRAMS

Goals:

- Increase high school graduation rates of students from low and moderate income households
- Motivate students to prepare for higher education by selecting appropriate coursework
- Help families understand college is accessible, attainable and affordable
- Roadmap for students through middle school years, high school, and financial aid to reach college
- Improve skills of the state's workforce



EARLY COMMITMENT PROGRAMS

	Colorado CollegeInvest	Indiana's 21st Century Scholars	Oklahoma Promise	Wisconsin Covenant	Washington College Bound
Started	2008	1990	1992	2007	2007
Year Commitment Begins	7th, 8th or 9th	6th, 7th or 8th	8th, 9th and 10th	8th	7th, 8th
Income Requirement?	No, available to all students	Yes, or ward/foster care	Yes, family income <\$50,000	No	Yes, based on household size/income
GPA threshold	2.5	2.0	2.5	3.0	??
College-bound coursework?	Yes	Yes	Yes	Yes	Yes
Good behavior?	Yes	Yes	Yes	Yes	Yes
Apply for federal/ state aid?	Yes	Yes	No	Yes	Yes
Financial aid package	Up to \$1,000 per year	Full tuition/4 years/public schools	Full tuition/public; partial/privates	Varies by income	Full tuition/4 years; up to \$500 for books/year
Annual state budget	Annual approp; currently closed	\$28.6 million	\$50 million	\$35 million	\$18 million



VA 529 EARLY COMMITMENT PROGRAM - 2010

Aspirational – increase graduation and college success rates.
 Meaningful commitment
 Ultimately statewide reach.

Eligibility	Pilot program starting with 10 th graders	Pledge	Students pledge to meet program criteria
Residency	Yes	Admission Guarantee	No
Income	200% of poverty level/ward of court/foster care	Eligible Schools	All qualified higher education institutions: <ul style="list-style-type: none"> • Virginia public and private • Universities, colleges, technical and proprietary • Out of state
Awards	Pilot: \$500/year after 10 th , 11 th and 12 th grades. \$500 bonus for VA public school	Account Ownership	VA 529 owns until payout; account created with student view-only access at conclusion of 1 st year
GPA Threshold	Cumulative 2.5		
College Readiness	Work with access provider		
Good Behavior	Attend school regularly, w/o violating code of behavior; community service		



VA 529 PILOT PROGRAM

- Year 1 – Partner with GRASP (Great Aspirations Scholarship Program) – Richmond metro area college access provider
- Fall 2010, 5 schools:
 - Thomas Jefferson – Richmond City – inner city
 - George Wythe – Richmond City – inner city
 - Douglas Freeman – Henrico County - suburban
 - Patrick Henry – Hanover County - rural
 - Goochland – Goochland County - rural
- Schools selected
 - based on the experience level of GRASP counselors and
 - to test program in schools of different size, demographics and success rates (graduation, college attendance)
- Subsequent years – work with Project Discovery and ACCESS College Foundation



COLLEGE ACCESS PROVIDERS

- Virginia College Access Network -
Virginia CAN
 - e.g. GRASP, Project Discovery, ACCESS College Foundation
- Located in communities – mentoring, financial aid assistance, skill building
- VA 529 model - Partner with access providers



VISION – SOME THOUGHTS

Mission – to make college more affordable and accessible

- VA 529 - emphasis on planning and saving over time
- Encourage high school completion and pursuit of higher education
- Maximize impact of committed resources
- Award sufficient \$s per recipient to have a meaningful impact on student's ability to attain (and complete) higher education
- Develop a program that is sustainable
- Build on VA 529 core competencies
- Focus on aspirational impact



MEASURING SUCCESS

- High School Performance and Graduation Rates
- FAFSA Completion
- Program Participation, Retention and Completion Rates
- College Applications and Acceptances
- Financial Aid Awarded
- College Enrollment /Completion



FOR MORE INFORMATION:

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