

From: [Washington College Grant \(WSAC\)](#)
Sent: Friday, January 24, 2025 11:46 AM
Subject: 2025-26 Financial Aid Guidance - Bridge Grants and Income Offsets

Hello Financial Aid Colleagues,

We are providing important updated guidance related to two items impacting the 2025-26 Financial Aid year.

Bridge Grants:

We have recently been advised that while Bridge Grant funding has been written in as a budget proviso since 2022, it was also included as ongoing funding (which is unusual.) This means that Bridge Grants will continue for the 2025-26 award year. The Bridge Grants will continue to be \$500 for non-College Bound eligible students who are enrolled in 3 or more credits and have unmet need. Colleges are encouraged to award the funds proportionally over the duration of the student's expected enrollment but may also disburse in one lump sum.

Also, Bridge Grants are a set appropriation and funding will be first come first served and a shortfall is projected for FY26 and FY27. It is important for both the current year and going forward, that you are reconciling your accounts, submitting your awards, and requesting payments on a regular basis – and not just when interim reports are due. We are managing funds based on timely submission of data but when the funds are spent, we will not be able to approve additional payment requests. (Side note, there are bills in the current 2025 legislative session that may make changes to the Bridge grants but the outcome of those will not be known until the session concludes and the Governor signs the budget.)

Income Offsets must be used for determining MFI for 2025-26:

In the past, when calculating Median Family Income (MFI), income offsets were permissible as to whether colleges used them or not. However, effective 2025-26, you will be required to subtract the following allowable exclusions when calculating MFI:

- Taxable earnings from need-based employment programs such as Federal Work Study and need-based employment portions of fellowships or assistantships.
- Taxable student grant and scholarship aid reported to the IRS in the Adjusted Gross Income. This includes AmeriCorps benefits as well as grant and scholarship portions of fellowships and assistantships.
- Education tax credits under the American Opportunity and Lifetime Learning tax credits.

The reason for this change is to reduce confusion for students regarding how they may qualify for WCG at one college but not at the college across the street because one college uses the

offsets and the other does not. This will provide an equitable experience for the student regarding how their MFI is calculated. If there appears to be conflicting data in these items, you will need to follow your standard process for resolving conflicting information.

We sincerely appreciate your continued partnership and dedication to helping students. Please do not hesitate to reach out to us if you have any questions on these two pieces of guidance.

Take care,



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