

Financial Aid Study Update; State Student Assistance Commission of Indiana

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State Student Assistance Commission of Indiana
May 14, 2010 CHE Commission Meeting



Update on 2010 State Aid Process

Award Process:

- Applications
- Demographics
- Tuitions
- Budget

Meeting the Need

Implications for Future Aid: 21st Century Scholars



FAFSA Applications

Total applications by May 12

- 2010 = 337,932
- 2009 = 291,708
- Diff = 46,224 a **15.85% increase** in applications

Clean, on-time applications

- 2010 = 220,765 (18,120 Professional Judgments – “PJs”)
- 2009 = 197,460 (15,102 PJs)
- Diff – **23,305** an **11.8% increase** in clean, on-time applications
- As of 5-12-10, few remaining apps with edits could clean by May 15 deadline.
- Note a 19.98% increase in PJs, not all of which will be SSACI acceptable

Expect: 134,000 students could receive offers in 2010

Approx. 111,000 students received offers in 2009

(90,000 in 2008; 78,000 in 2007)

Demographics

Of students who listed a SSACI-eligible college,*

All Applications	2010	2010	2009
College Type	Count	%	%
Public	136,981	45.35	47.84
Private	44,171	14.62	15.65
Proprietary	20,810	6.89	6.52
Reciprocity	981	0.32	0.30
IVT-VU	99,132	32.82	29.68

*10.01% did not list a SSACI-eligible college

Demographics

Again, large fraction of independent (adult) students; two years ago independents were only about 1/3 of applicants); many have dependents, jobs, no earning partner, life issues.

Dislocated workers: This year there are fewer parent dislocated workers but more than 4,000 more student dislocated workers. Student dislocated workers are more able to file on time and clean this year.

Pell eligibility: A larger fraction of filers are Pell eligible this year as well.

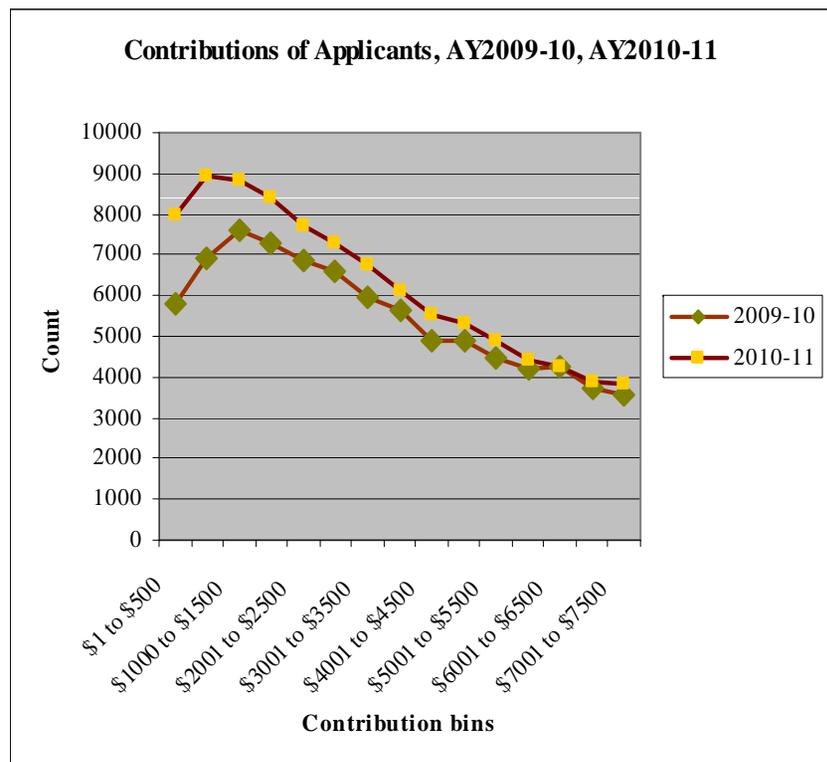
	2010	2009
Independent Students	53.89%	50.85%
Dependent Students	46.11%	49.15%
Dislocated Workers	2010	2009
Parent	14,706	14,937
Student	26,589	21,670
	2010	2009
Pell Eligibility	184,250	148,377
All Applications	337,932	291,708
Percent	54.52%	50.86%

Contributions

The percentage of those with zero contribution increased 4 percentage points from 38% to 42% of all applicants.

The percentage of those with contributions too high to receive offers of aid decreased 5 points from 28.7% to 23.4% of all applicants.

The mode has shifted from a contribution of \$1000-\$1500 down to \$500-\$1000 – a big shift in a dataset this size. (See graph; High and zero contributions not included in graph.)





Tuitions

- Normally, O'Bannon aid is not affected by present year tuition, but...
- 21st is an entitlement based on present year tuition
- There is a shortfall in 21st appropriation with lower O'Bannon caps.
- Must move funds from HEA to cover 21st needs; present year tuitions affect scholar budget and so now HEA budget.
- Largely because IU has moved to single (higher) tuitions...
- Assumption about average tuition/fee increase was 5%; will be more like 8% on average at all institutions.



Budget

By law, the state must have a balanced budget.

As with other areas of education, the SSACI budget will be affected. Up until now, SSACI's HEA/FOC/21st have been the only budgets in the state with increases and no cuts.

Projected carryover from 2009-10: HEA: \$10M FOC: none 21st: none

Original Appropriation:

□ HEA: \$152.9 M FOC: \$52.1M 21st: \$29.1M

This is subject to change.

□ Approximately \$17M might need to be moved to 21st

Why do SSACI budgets go up but caps go down?



SSACI budgets go up; Still caps go down – Why?

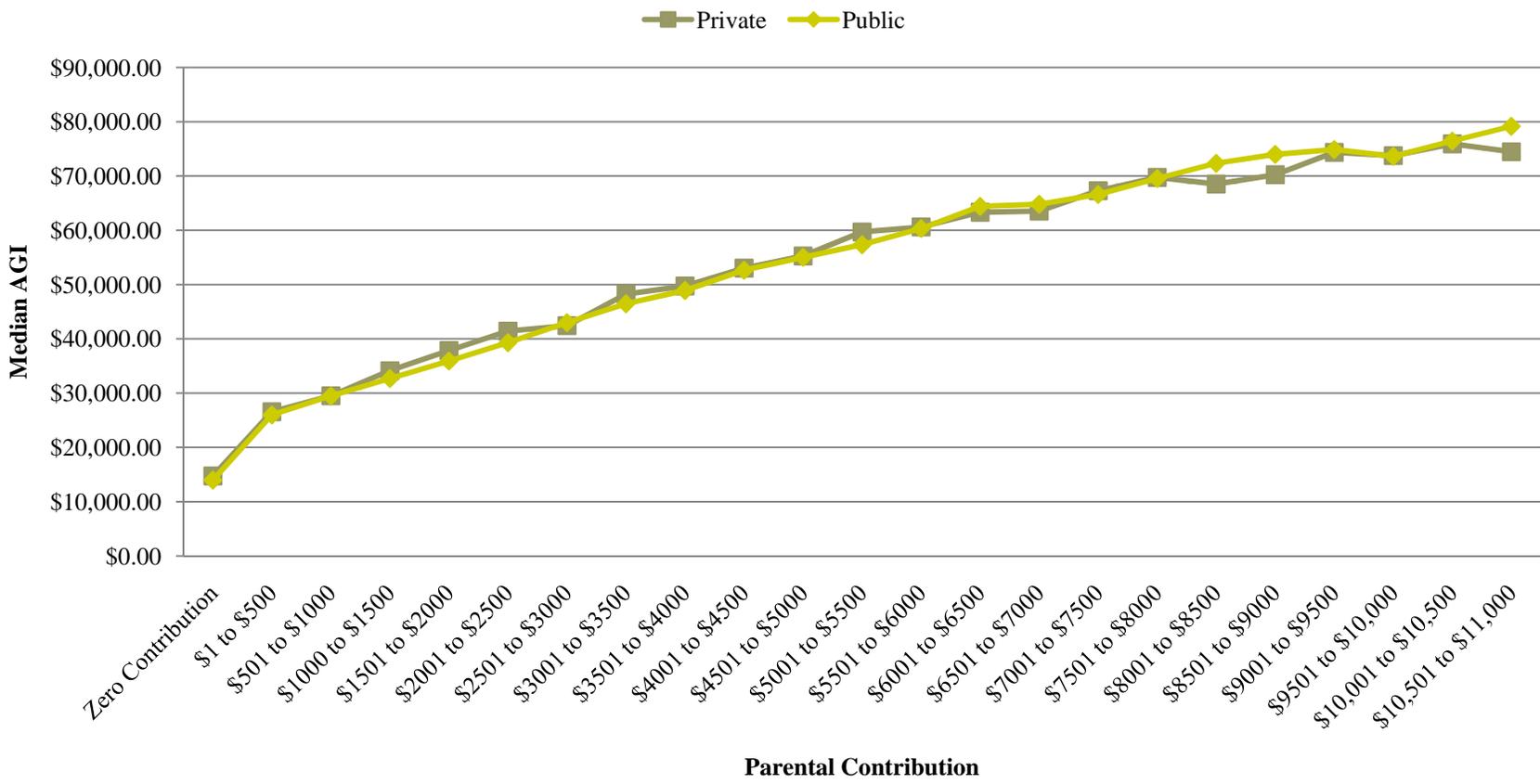
- Unprecedented increases in students applying
 - Population changes have ranged from -3 to 12% - never 23% (2009) or this year's additional 15%
- Entitlements (NGS, 21st Century) drawing on O'Bannon funds directly amplifies this effect
- Tuitions continue to increase; all old dual tuitions have phased out.
- More colleges become eligible.



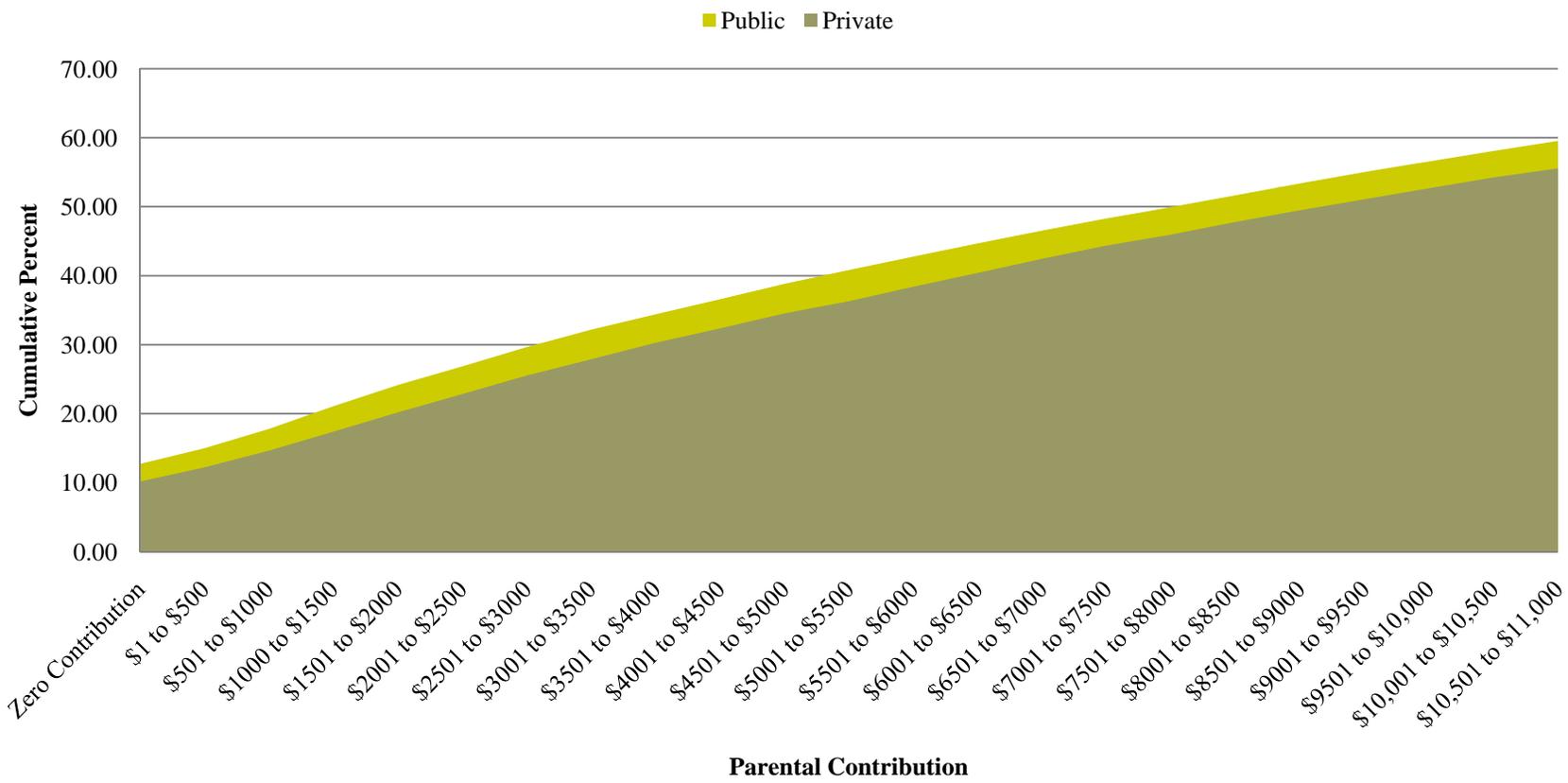
Meeting the Need

- Need is increasing as we saw previously.
- Contribution is the FA measure of need.
- For each \$500 range of contributions, we can assign a median AGI, to give a sense of income level.
- How far up into the middle class can SSACI fund students? (Indiana median 3-year average family income 2006-08 = \$48,095 [US Census data])
- By type of college?

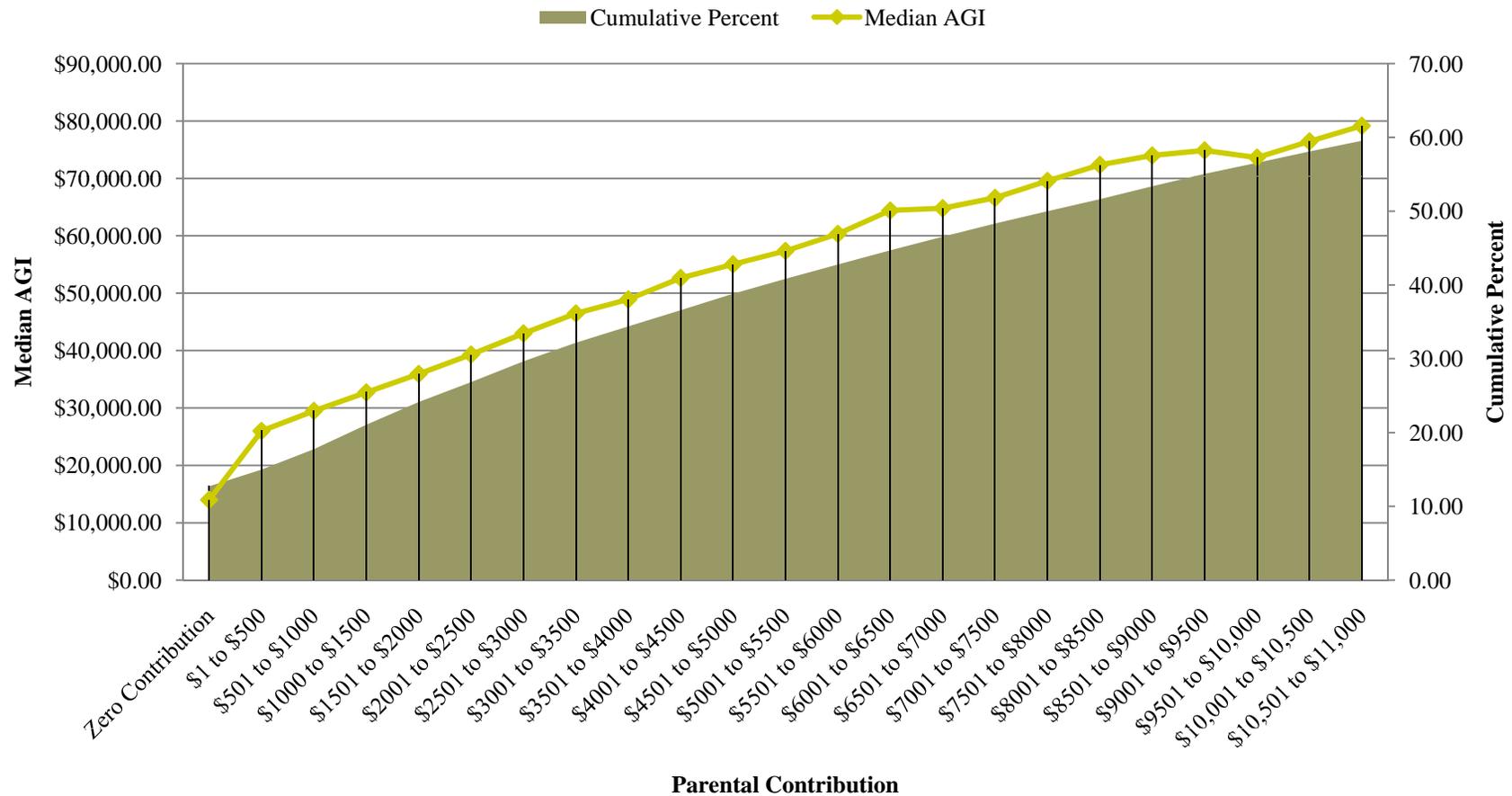
2008-2009 Dependent FAFSA Filers



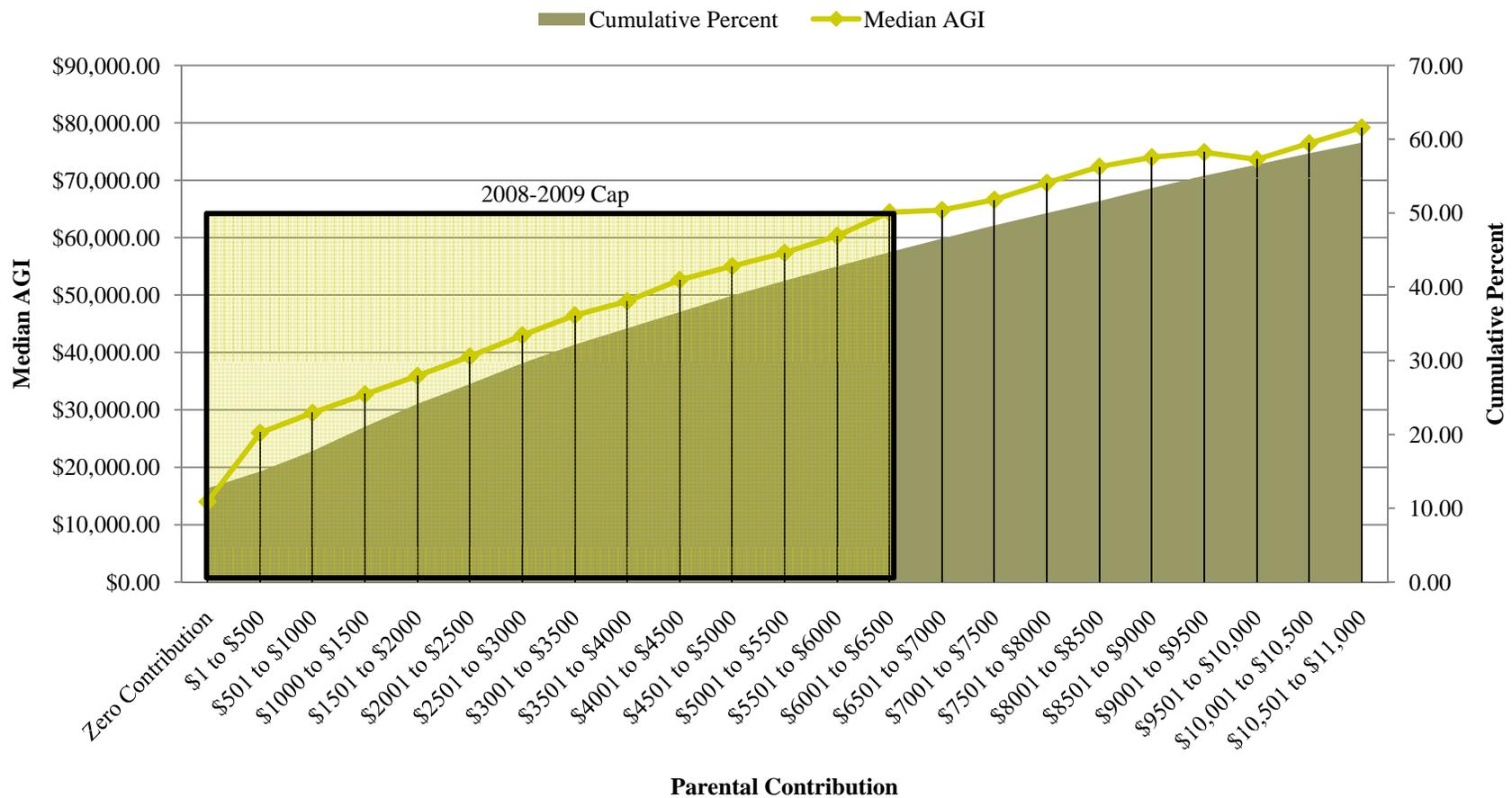
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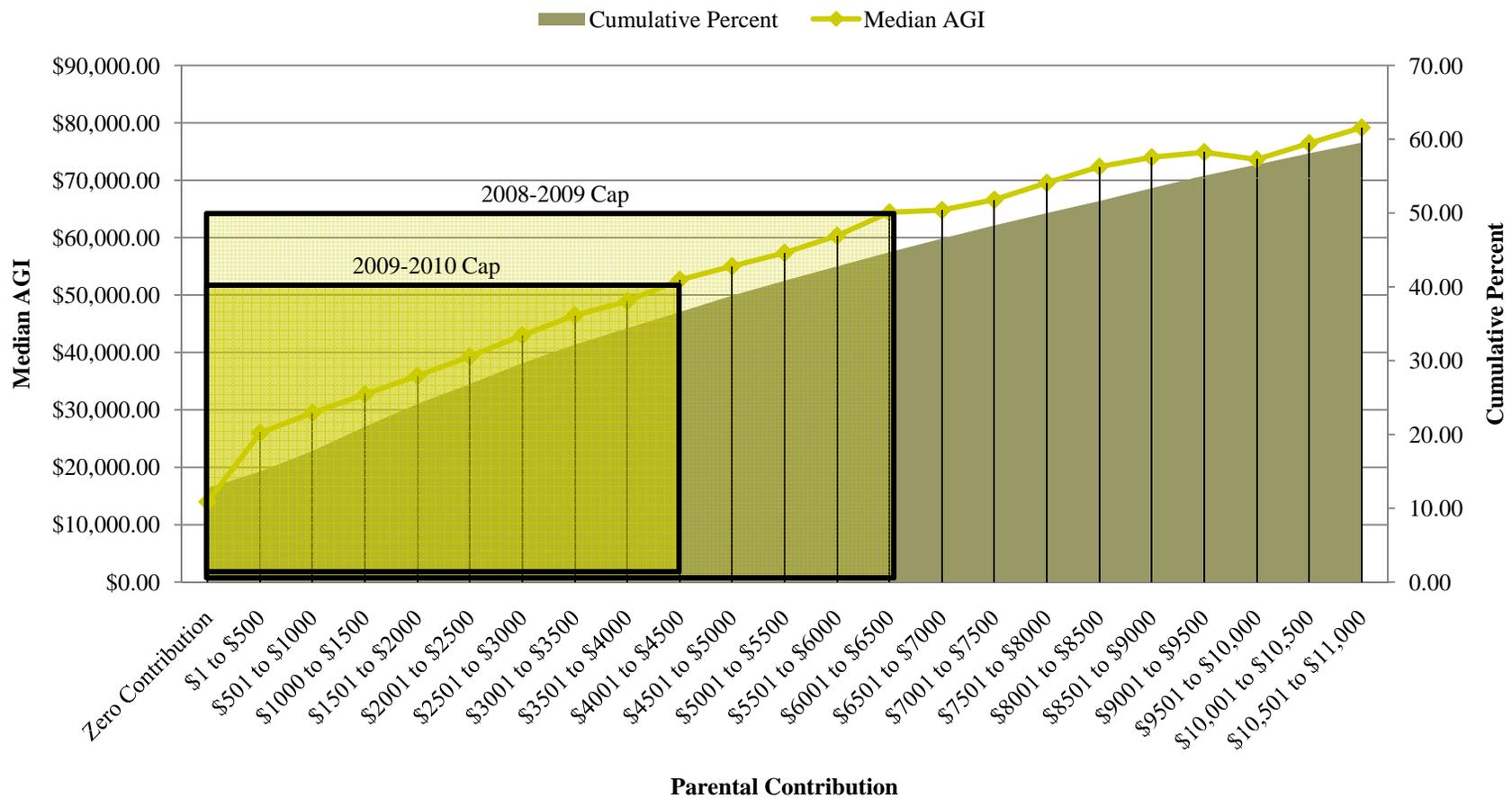
2008-2009 Dependent FAFSA Filers Attending Public Institutions



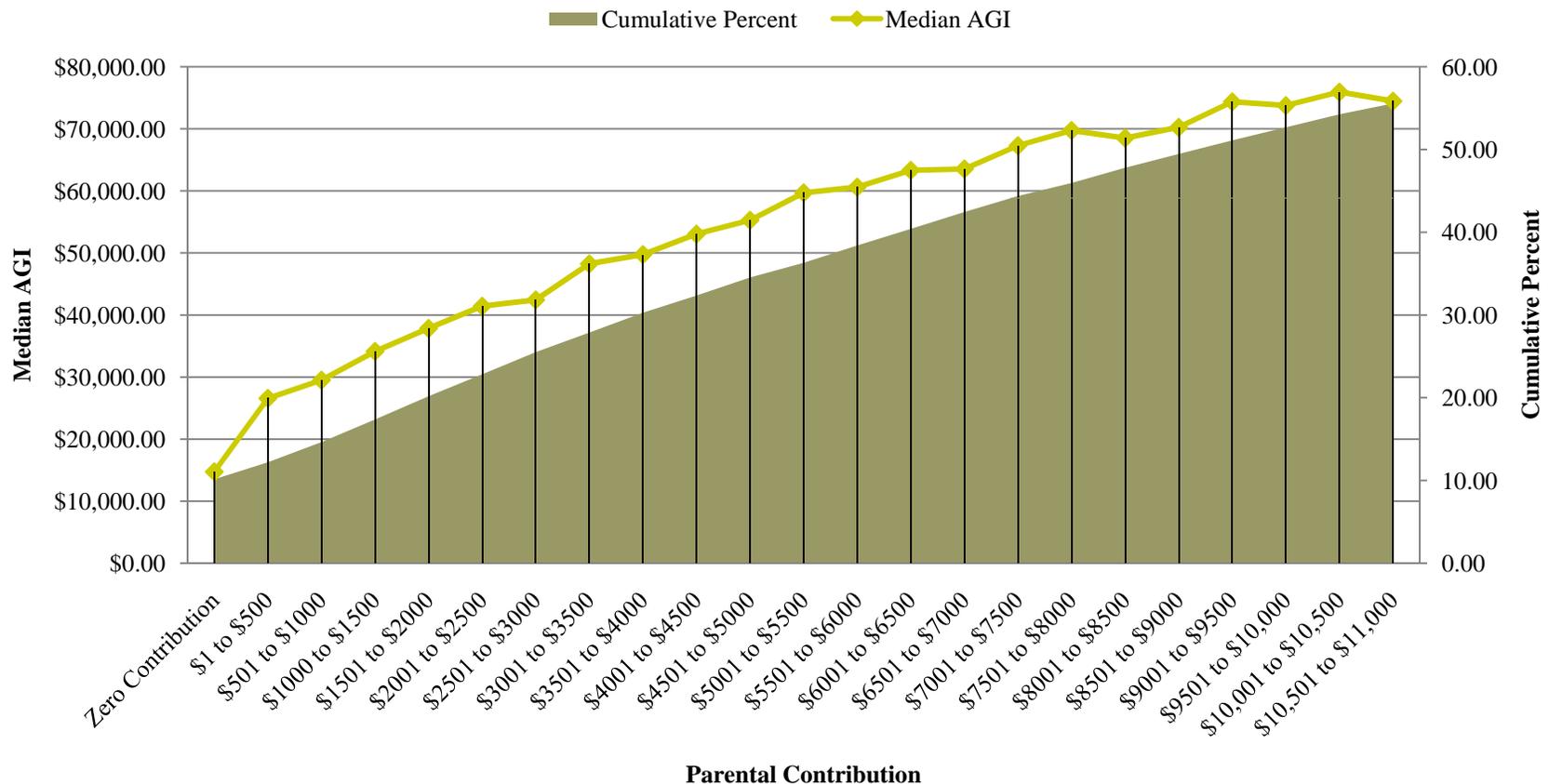
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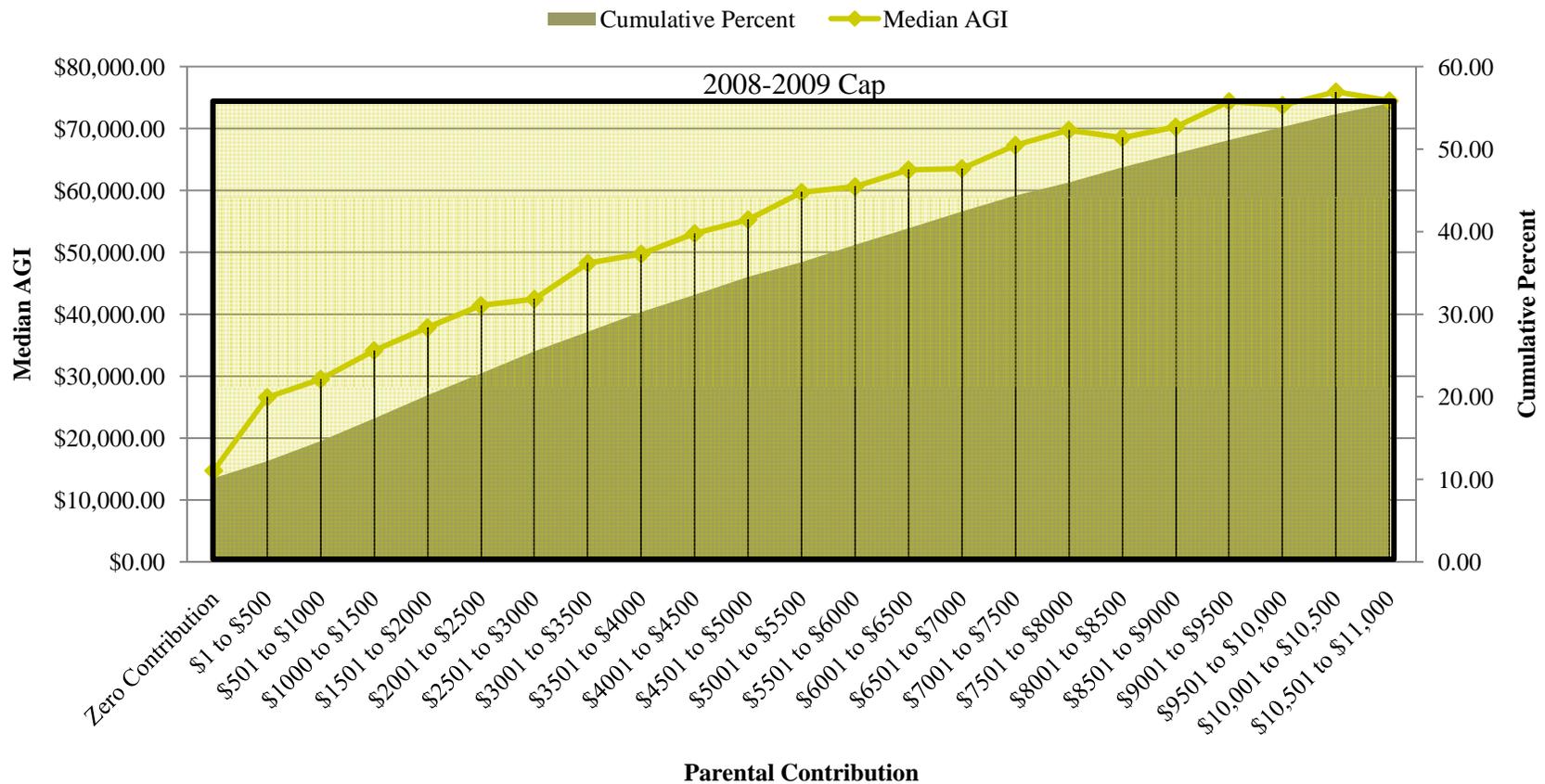
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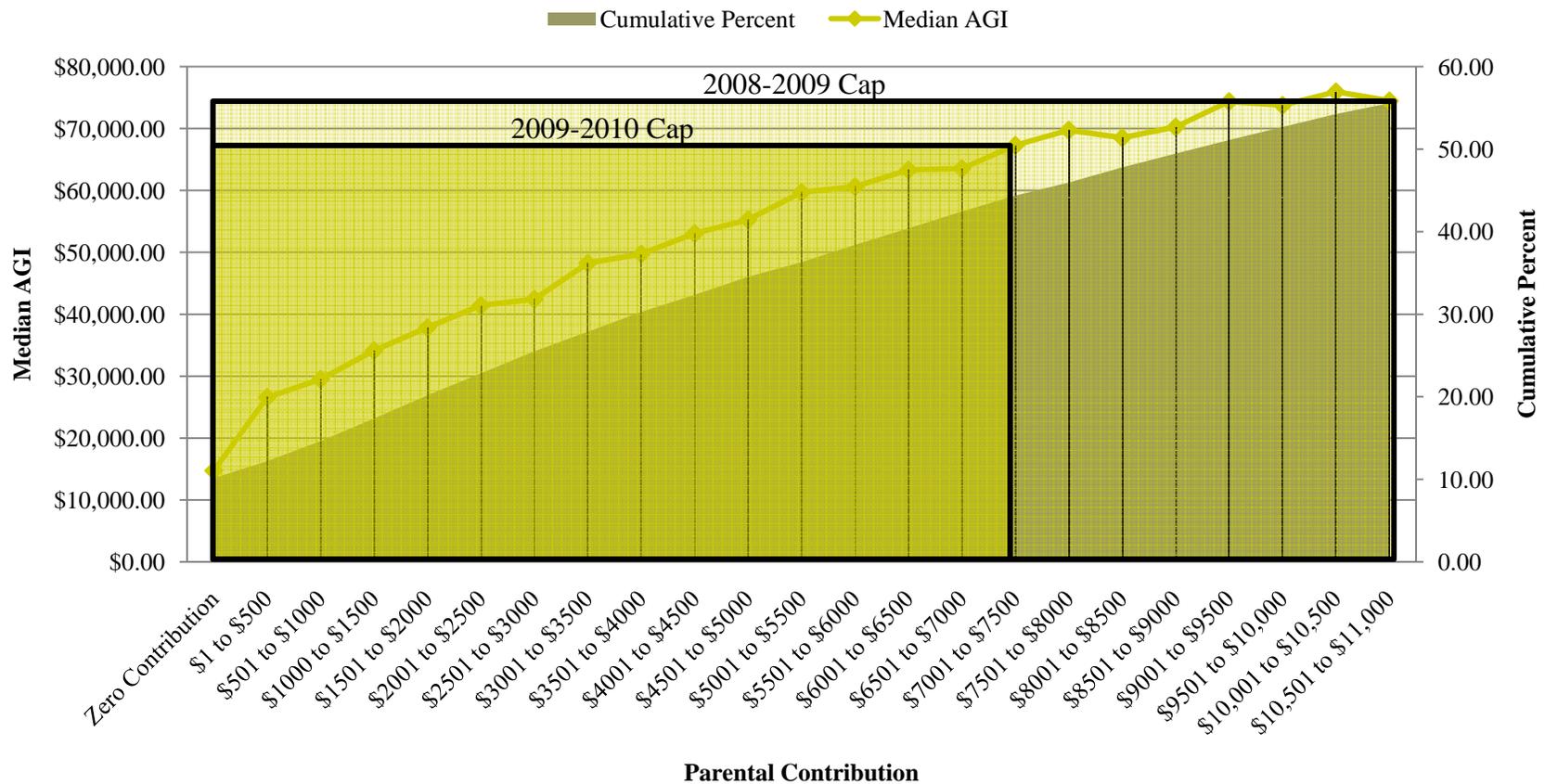
2008-2009 Dependent FAFSA Filers Attending Private Institutions



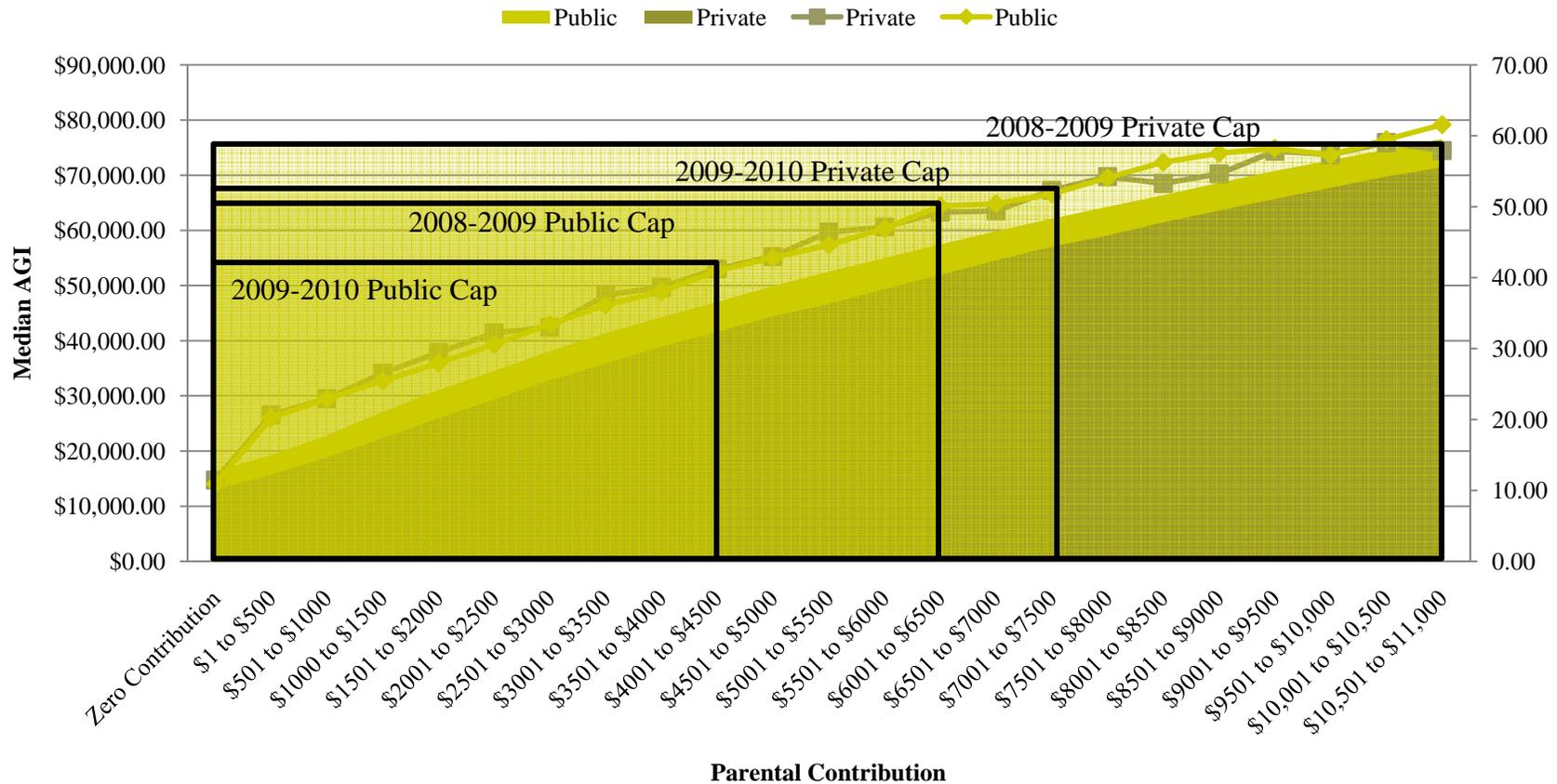
2008-2009 Dependent FAFSA Filers Attending Private Institutions



2008-2009 Dependent FAFSA Filers Attending Private Institutions



2008-2009 Dependent FAFSA Filers





Is state aid meeting the need?

- How far up the income scale can state aid reach?
- SSACI was able to fund higher up into the pool of private college students than public college students in both years across the 30% drop in caps.
- In the year that caps dropped, state aid went farther among independent students attending any college than among traditional students.



Is state aid meeting the need?

- In addition to traditional 17-24 year old students at public and private four year colleges....
- How were Ivy Tech and proprietary college students affected?
- How were independent (adult) students affected?

How Far Up the Cumulative Median Adjusted Gross Income Curve Can State Aid Reach?

Percentage	Under 2008-09 caps		Under 2009-10 caps	
	Dependent	Independent	Dependent	Independent
Public	45%	84%	37%	78%
Private	56%	88%	44%	81%
IVT-VU	52%	75%	52%	75%
Proprietary	53%	77%	53%	77%

Median AGI	Under 2008-09 caps		Under 2009-10 caps	
	Dependent	Independent	Dependent	Independent
Public	\$64,404	\$23,342	\$52,650	\$18,396
Private	\$74,467	\$53,632	\$67,292	\$49,202
IVT-VU	\$42,482	\$35,410	\$42,482	\$35,410
Proprietary	\$41,610	\$34,644	\$41,610	\$34,644



Future Aid Considerations

Distribution of aid among Need-based and Goal-centered funds, i.e., Twenty-first Century Scholars, National Guard students, Children of Veterans and Public Safety Officers...

...just look at 21st Scholars for now.

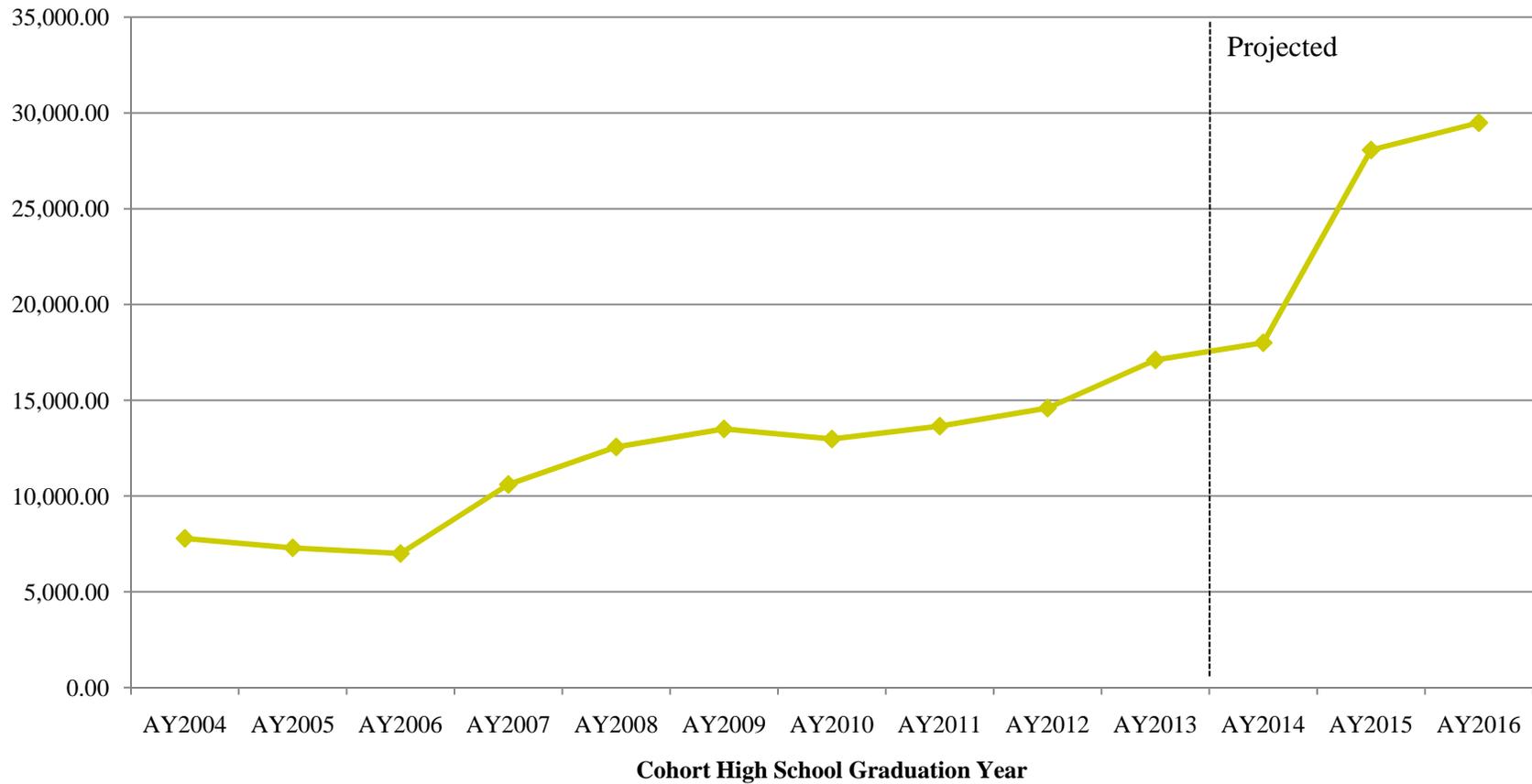
Twenty-first Century Scholars

- Huge Increases in Enrollments:
 - More awareness: 21st sites' efforts, LearnMore, et al.
 - Adding the 6th grade – 3 shots at low income
 - Recession-exacerbated low (qualifying) incomes

Enrollment year	Count to date	Pctg Increase
2006	12,100	--
2007	14,015	15.83%
2008	15,532	10.82%
2009	31,463	102.57%
2010	20,611*	14.42%

*on track for 36,000

Twenty-First Century Scholars Enrollment



Twenty-first Century Scholars

SSACI does not deficit spend; net differences are made up in FY09 from carryover, and this year and next, from HEA.

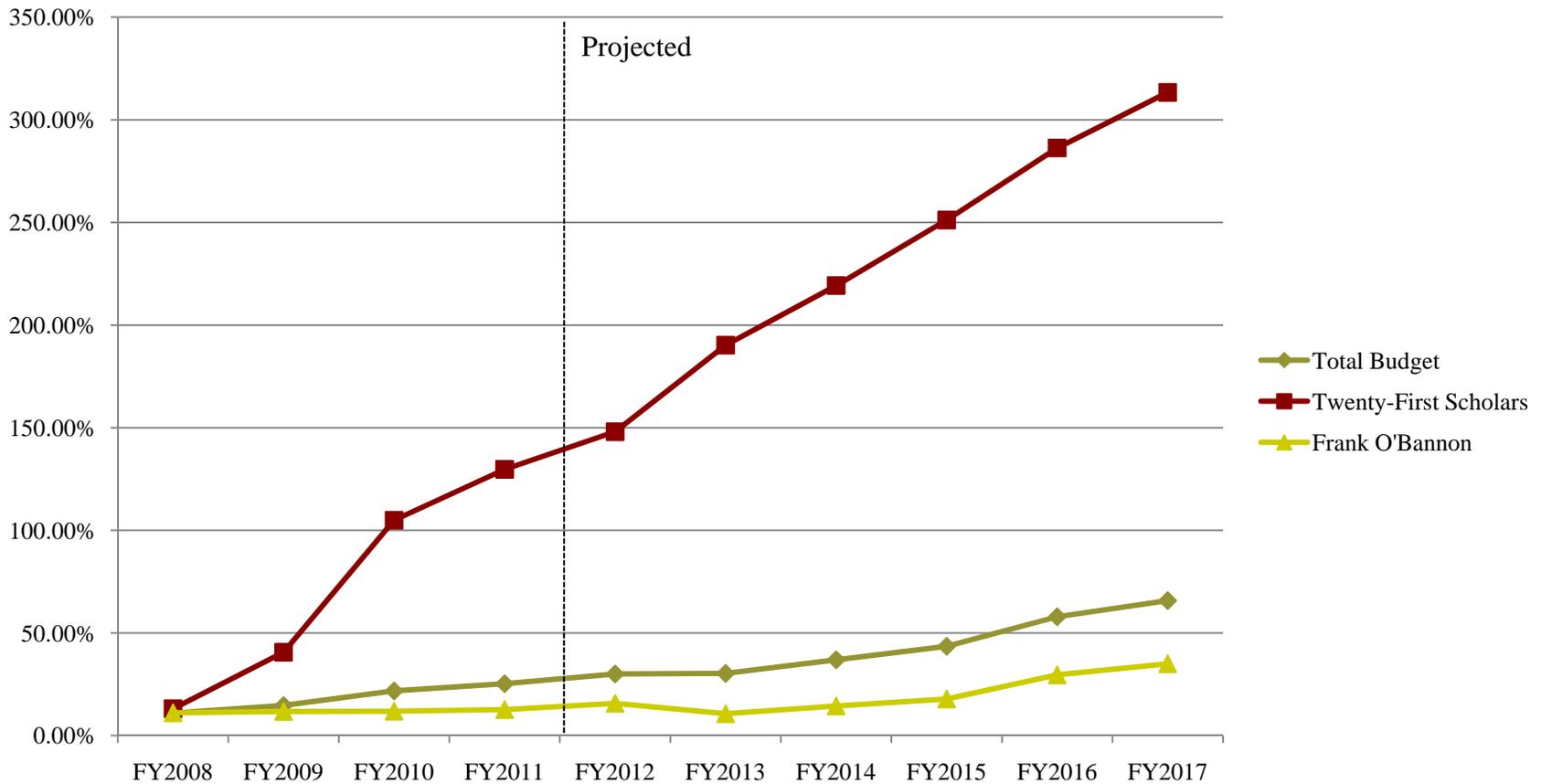
		Fiscal Year			
21st Century		2008	2009	2010	2011
Appropriations		\$24,810,428	\$26,519,274	\$28,289,852	\$29,109,298
		Academic Year			
Actual/Projected		2007-08	2008-09	2009-10	2010-11
Spending		\$22,821,418	\$28,372,039	\$41,356,408	\$46,353,235
Net Difference		\$1,989,010	-\$1,852,765	-\$13,066,556	-\$17,243,937
Growth in students		9,875	11,346	12,801	14,700



Twenty-first Century Scholars

- SSACI expects to move money from HEA to 21st to complete FY2010: \$10M
- SSACI projects moving \$17M from HEA to 21st for FY2011
- Each \$10M is approximately a 5% drop in caps: \$42 for a public college student and \$76 for a private college student.

Budget Increases Over FY2007





Thank you

Questions?