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**State Student Assistance  
Commission of Indiana (SSACI)  
Budget Considerations  
FY 12 & FY13**

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State Budget Committee  
December 14, 2010

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# Presentation Overview

- SSACI Mission and Programs
  - Budget focus on Frank O'Bannon Grant (FOB) and 21<sup>st</sup> Century Scholarship (21<sup>st</sup>)
  - Award Dynamics: Need analysis and the complicated process of prediction
  - Potential Budget Scenarios, and Budget Request
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# SSACI's Mission and Programs

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# SSACI's Mission and How it's Served

To...

- \* Make college more **AFFORDABLE** for middle and low income Hoosier families
- \* Allow **CHOICE** by granting awards at public, independent and proprietary colleges
- \* Encourage **PREPARATION** by increasing grants for students with more rigorous schedules

With...

- \* **Grants and Scholarship programs**
  - \* **Early intervention** programs for 21<sup>st</sup> Century Scholars
  - \* **Research** to understand the needs of Hoosier families pursuing higher education
  - \* **Technology** for efficient delivery of awards and for effective SSACI process
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# SSACI's Current Grant and Scholarship Programs:

- **The Frank O'Bannon (FOB) grant:** Agency's largest program for full-time students
  - **The 21<sup>st</sup> Century Scholars Program:** An entitlement program providing intervention programming and full college (public) tuition. Eligible low income students enroll in 6<sup>th</sup>, 7<sup>th</sup> or 8<sup>th</sup> grade, and affirm after high school graduation
  - **Children of Certain Veteran and Public Safety Officers Supplemental Grant Program:** An entitlement program that provides full college (public) tuition for children of disabled veterans, and for children of public safety officers killed in the line of duty
  - **The Minority Teacher and Special Education Services Scholarship Program:** A renewable scholarship for African American and Hispanic Hoosiers preparing for a teaching career
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# SSACI programs, cont.

- **The State Work-Study Program:** Open to students receiving FOB grants
  - **The Nursing Fund Scholarship Program:** Encourages students to pursue a nursing career, and commit to working in Indiana for at least two years
  - **The Robert C. Byrd Honors Scholarship:** Federally funded merit program
  - **The Part-time Grant Program:** Need-based award for undergraduates
  - **The Contract for Space Program:** Provides out-of- state tuition aid to Hoosiers living in 6 southeastern Indiana counties
  - **Indiana National Guard Supplemental Grant Program:** program that provides full college (public) tuition to eligible Indiana Air and Army National Guard
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Budget Focus on Frank O'Bannon Grant  
(FOB), and 21st Century Scholarship  
(21<sup>st</sup>)

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# Frank O'Bannon Grant (FOB) is...

- The largest need-based grant program SSACI administers
- FOB for student going to state school is comprised of HEA dollars
- FOB for student going to independent school is comprised of HEA and FOC dollars
- 2010-2011 Award Maximums (CAPS) are:
  - \* State: \$ 3912
  - \* Independent: \$ 7056

Higher Education Award	Freedom of Choice Award	Frank O'Bannon Grant
<b>HEA +</b>	<b>FOC =</b>	<b>FOB</b>

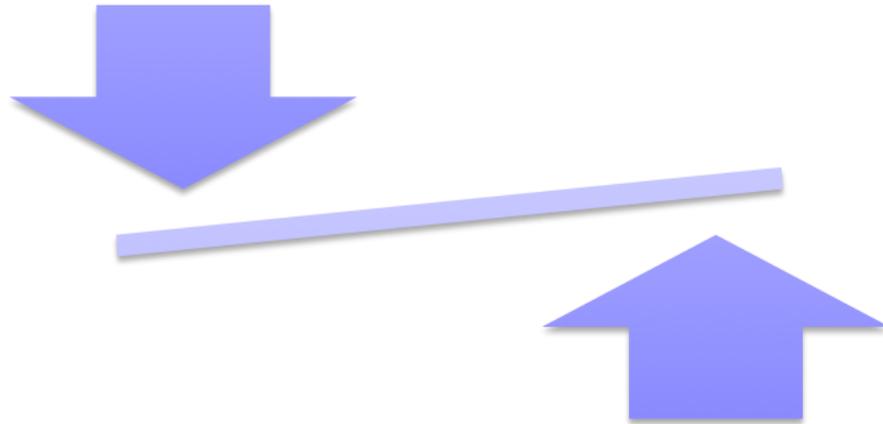
# 21<sup>st</sup> Century Scholarship (21<sup>st</sup>) is...

- **An entitlement program that supplements the FOB to meet the cost of tuition and fees at a state school**
- Regarded nationally as the premier early intervention program encouraging low income families to pursue college
- Used as the national model for the federal Gaining Early Awareness and Readiness for Undergraduate Programs (GEAR UP) programs

## Relationship between FOB and 21<sup>st</sup>:

\*If student FOB is high,  
the supplement 21<sup>st</sup> is  
lower

\*If the student FOB is  
low the 21<sup>st</sup> supplement  
Is higher



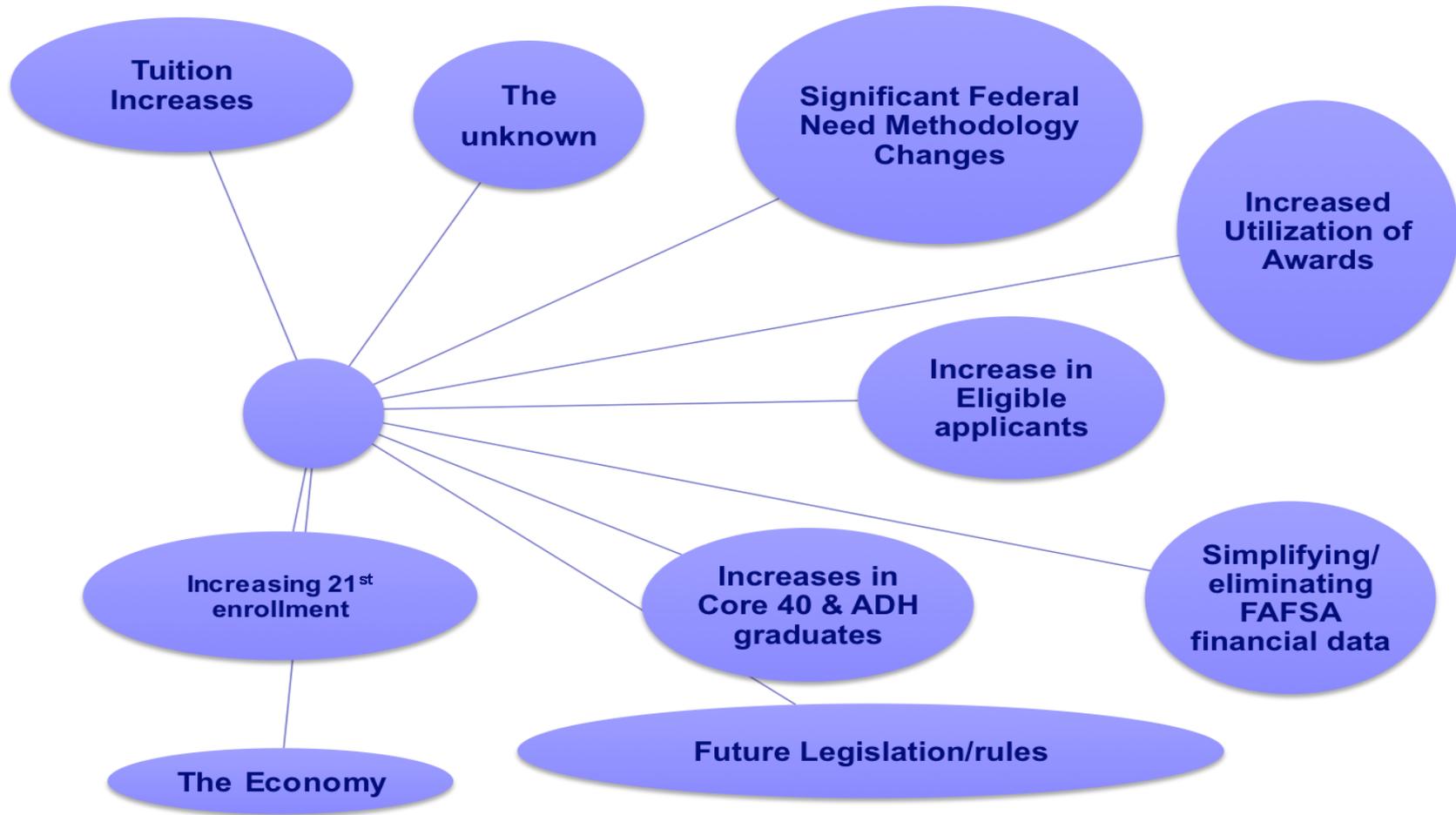
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*Award Dynamics: need analysis and the complicated process of prediction*

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FAFSA and other federal methodology changes, population increases, utilization rates, tuition and fee increases, etc.

# Budget and Prediction Pressure Points



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# Potential Budget Scenarios for FY12 and FY13

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- 0% on 0% (population increase)
  - 4% on 4% (population increase)

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# Assumptions Used in Scenarios:

**2% increase in tuitions**

**50% utilization rate**

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0% (FY 12) on 0% (FY13) increase in  
population

**Year one**

**Year two**

**Caps drop: 4%**  
from \$3912 to \$3756  
and \$7056 to \$6774

**Caps drop: 3%**  
from \$3756 to \$3636  
and \$6774 to \$6564

**1% drop = \$39 and \$70**

**1% drop= \$38 and \$68**

**HEA to 21<sup>st</sup>: \$23M**

**HEA to 21<sup>st</sup>: \$26.5M**

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4% (FY 12) on 4% (FY 13) increase in  
population

**Year one**

**Year two**

**Caps drop: 9%**  
from \$3912 to \$3522  
and \$7056 to \$6354

**Caps drop: 8%**  
from \$3522 to \$3132  
and \$6354 to \$5856

**1% drop = \$39 and \$71**

**1% drop = \$35 and \$64**

**HEA to 21<sup>st</sup>: \$26M**

**HEA to 21<sup>st</sup>: \$33.5M**

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# Budget Request

<b>SSACI Suggested Budget</b>			
<b>Program</b>	<b>Baseline FY11 \$</b>	<b>FY12 \$</b>	<b>FY13 \$</b>
Higher Education Award	152,886,733	152,886,733	152,886,733
Freedom of Choice	52,130,838	52,130,838	52,130,838
21 <sup>st</sup> Century Scholars	29,109,298	29,109,298	29,109,298