

# **Maryland Higher Education Commission**

## **Office of Student Financial Assistance**

### **Commission to Develop the Maryland Model for Funding Higher Education**

September 24, 2007

# Maryland Higher Education Commission

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# Overview of Responsibilities – Office of Student Financial Assistance

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- Administer 22 State student financial aid programs totaling almost \$110 million in FY 2008
- Serve as an independent source of information and analysis to develop Statewide financial aid policy
- Provide college and financial aid outreach information to students, parents, and counselors across Maryland



# State Student Financial Aid Programs

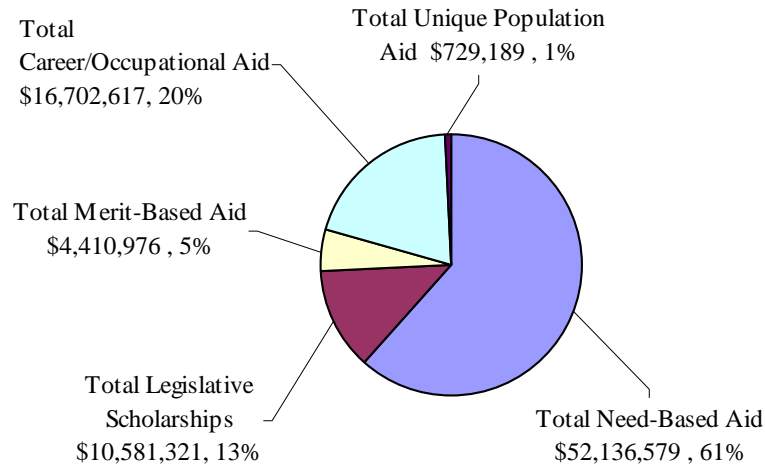
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- More than 58,000 students receive funds from State financial aid programs
- Programs are divided into five categories
  - Need-Based Aid Programs - \$85,358,381
  - Legislative Programs - \$11,348,808
  - Merit-Based Programs - \$4,200,000
  - Career and Occupational Programs - \$7,456,311
  - Unique Population Programs - \$1,347,974



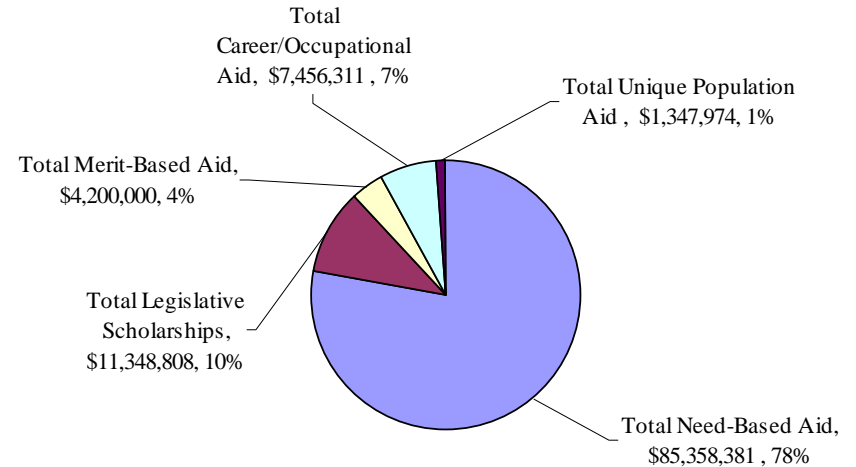
# Maryland Financial Aid FY 2005-2008

2005



Total: \$84,560,682

2008



Total: \$109,711,474



# Need-Based Aid Programs

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- **Guaranteed Access Grant: \$400 - \$14,800 annually**
  - Assists lowest income students and covers 100% of student's need when combined with Pell Grant
  - Apply as high school seniors
  - Specific income requirements (example: family of 4 must earn \$26,000 or less)
  - March 1 deadline suggested for filing FAFSA; however, will award throughout the year
- **Educational Assistance Grant: \$400 to \$3,000 annually**
  - For low- to moderate-income students who demonstrate financial need
  - Students must file FAFSA by March 1 each year
  - 40% of need used in calculation for students attending four-year institutions
  - 60% of need used in calculation for students attending community colleges
- **Campus-Based Educational Assistance Grant: \$400 - \$3,000 annually**
  - For late FAFSA filers
  - Students must be Pell eligible
  - Decentralized program; institutions administer funds and select recipients
  - Follows same basic rules as Educational Assistance Grant program

Students must be full-time for each of these programs



# Need-Based Aid Programs (continued)

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- **Early College Access Grant (Dual Enrollment Grant): \$200-\$1,000 annually**
  - For high school students who are dually enrolled at an institution of higher education
  - Students do not need to transfer credits back toward high school diplomas
  - Students must demonstrate financial need
  - Decentralized program; institutions administer funds and select recipients
- **Part-Time Grant: \$200 - \$2,000 annually**
  - For low- to moderate-income students
  - Decentralized program; institutions administer funds and select recipients
  - Students must be part-time (6-11 credits)
  - Students must demonstrate financial need
- **Graduate and Professional Scholarship: \$1,000 - \$5,000 annually**
  - For needy graduate students in specific programs at certain institutions
  - Decentralized program; institutions administer funds and select recipients
  - Students may be full-time or part-time



# Legislative Scholarship Programs

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- **Senatorial Scholarship: \$400 - \$9,000 annually**
  - Students must demonstrate financial need
  - Students must file FAFSA
  - Senator may choose recipients or have the Office of Student Financial Assistance select for them
  - Students may be full-time or part-time, undergraduate or graduate
  - Awards are renewable
- **Delegate Scholarship: \$200 - \$9,000 annually**
  - Students do not have to file FAFSA
  - Delegate may choose recipients or have OSFA select for them
  - Students may be full-time or part-time, undergraduate or graduate
  - Awards are not automatically renewed



# Merit-Based Scholarships

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## **Distinguished Scholar Award: \$3,000 annually for four years**

- Students apply as high school juniors in one of three categories
  - National Merit and National Achievement Finalists
  - Achievement – academically talented
  - Talent – performing and visual arts
- Minimum GPA of 3.7 to apply in achievement category
- Audition required for talent category

## **Distinguished Scholar Community College Transfer Award: \$3,000 annually for two years**

- Student must have completed at least 60 credits or AA degree at a Maryland community college and must transfer to a four-year institution in Maryland
- Must apply for the scholarship within 1 year of completing the required credit hours or an associate's degree program



# Career and Occupational Programs

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- All career and occupational programs require students to perform a service obligation in the field for which they received their scholarship
- Students may be full-time or part-time and must attend a two- or four-year institution in Maryland

## **Workforce Shortage Student Assistance Grant: \$1,000 - \$4,000 annually**

- Encompasses the following programs:
  - Child Care Provider Scholarship Program
  - Developmental Disabilities, Mental Health, Child Welfare, and Juvenile Justice Workforce Tuition Assistance Program
  - Distinguished Scholar Teacher Education
  - Physical and Occupational Therapists and Assistants Grant Program
  - Sharon Christa McAuliffe Memorial Teacher Education Award
  - State Nursing Scholarship and Living Expenses Grant
  - William Donald Schaefer Scholarship Program



# Career and Occupational Programs (continued)

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## **Workforce Shortage Student Assistance Grant (continued)**

- Program requires recipients to agree to work in certain fields or areas in Maryland in order to receive an award
- Eligible majors and employment fields will be determined by an Advisory Council biennially and will address Statewide and regional workforce needs
- Current high school seniors, full-time and part-time, degree seeking undergraduate and graduate students enrolled at eligible Maryland institutions may apply
- Award amounts range from \$1,000 to \$4,000 per year and are based on the type of institution attended and the student's enrollment status
- Students are awarded based on Grade Point Average ranges and Expected Family Contribution within the GPA range



# Career and Occupational Programs (continued)

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## **Charles W. Riley Fire and Emergency Medical Services Tuition Reimbursement Program: \$6,776 maximum award**

- For active career or volunteer firefighters, ambulance, or rescue squad members
- Must agree to serve a Maryland community as a career or volunteer firefighter or ambulance and rescue squad member while taking college courses
- Must serve for one year after completing the courses

## **Other Career and Occupational Programs:**

- **Janet L. Hoffman Loan Assistance Repayment Program (LARP)**
- **Loan Assistance Repayment Program for Primary Care Physicians**
- **Loan Assistance Repayment Program for Dentists**
- **Nurse Support Program II – Graduate Nursing Faculty Scholarship and Living Expenses Grant**
- **Optometry Tuition Reduction Program**



# Unique Population Programs

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## **Jack F. Tolbert Memorial Grant Program: \$500 annually**

- For needy students attending private career schools
- Students must be full-time

## **Edward T. Conroy Memorial Scholarship Program: up to \$9,000 annually**

- For certain armed forces personnel, veterans, or public safety personnel who were permanently disabled in the line of duty and the spouses and children of those who were killed in the line of duty
- Students may be full-time or part-time.

## **GEAR UP Scholarship: up to \$14,800 annually**

- For specific cohort of students who participated in the GEAR UP project and graduated from high school in 2006
- FAFSA is required; students not required to demonstrate financial need, although most do
- Covers up to cost of education minus other scholarship and grant aid or maximum of \$14,800



# Unique Population Programs (continued)

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## **Tuition Waiver for Foster Care Recipients**

- For students who resided in an out-of-home placement in Maryland during specific time frames
- Must attend a public college in Maryland
- Must file the FAFSA every year no later than March 1
- Tuition and fees not covered by grants or scholarships are waived

## **Veterans of Afghanistan and Iraq Conflicts Scholarship Program: up to \$9,026 annually**

- A veteran or active duty member of the U.S. Armed Forces who served at least 60 days in Afghanistan, Iraq or contiguous air or water space during specific time frame
- A member of a reserve component of the U.S. Armed Forces or the Maryland National Guard who was activated as a result of the Afghanistan or Iraq Conflicts and served at least 60 days, as defined above
- A son, daughter, or spouse of a veteran, active duty member or reserve member as defined above
- Student must be a Maryland resident
- Must file the FAFSA by March 1 each year
- Covers 50% of tuition, fees, room, and board



# College Awareness and Outreach

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- Continue to average 180 outreach presentations per year by partnering with community colleges and four-year institutions
- Expanded outreach to include production and distribution of materials to middle school students, the Hispanic population, and low-income students
- Received external grant funds to produce the Spanish version of the *Student Guide to Higher Education in Maryland*, the College 411 brochure, middle school parent piece, a piece for 6<sup>th</sup>/7<sup>th</sup> and 8<sup>th</sup>/9<sup>th</sup> graders, and one-page publications for specific student populations to assist Spanish-speaking population with preparing for college
- Outside grant funding allowed the reproduction of the 15-month calendar, *Step Up for College*, that includes financial aid information, ACT and SAT test dates and other useful college preparatory information for all high school juniors
- OSFA provided training to organizations such as College Bound, private career schools, foster care parents, social workers and caseworkers
- Expanded outreach by forming partnerships with higher education institutions and non-profit organizations to provide college preparatory and financial aid information to students of all ages in many different forums



## State Need-based Financial Aid Enhancements

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- Funding for State need-based aid nearly doubled from FY 2004 to FY 2008, from \$42.4 million to \$85.4 million
- Approximately 12,000 additional students have been reached
- Awarding formulas have been revised for State's largest need-based aid program to cover greater percentages of need for students attending two-year and four-year institutions and the maximum award has been increased to \$3,000
- Funding has also increased for part-time and graduate students
- The Campus-based Educational Assistance Grant was implemented to assist lower-income and first generation college students who may miss financial aid deadlines for extenuating circumstances

# Studies and Projected Enrollments Show More Needs to Be Done to Enhance Financial Aid Programs



- MHEC studies show that the lowest income students have the largest amounts of unmet need with or without loans, and a high level of loan debt, especially at community colleges
- State financial aid programs cover a much larger percent of need for students in moderate and upper income ranges compared to lower-income students
- The study, *Survey on Non-Acceptance or Cancellation of the Maryland Educational Assistance Grant* found that the majority of students declined their EA Grant as a result of being enrolled part-time or attending out-of-state institutions
- Given the projected increases in community college enrollments, especially full-time enrollments, students who begin at a community college must have the opportunity to transfer and complete their education at 4-year institutions



## Undergraduate aid recipients attending public four-year institutions (65,708)

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The typical public four-year recipient was a white female, financially dependent upon her parents, living on-campus and enrolled full-time

- Average cost of attendance: \$18,771
- Average expected family contribution: \$9,650 or 51% of the cost of attendance
- Average adjusted gross income: \$57,638
- Average financial aid award: \$9,219 or 49% of the cost of attendance
- 70% met the federal definition of need and had unmet need after receiving aid
  - Unmet need with loans - \$7,170
  - Unmet need with no loan - \$9,477



## Undergraduate aid recipients attending community colleges (53,558)

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The typical community college aid recipient was female, African-American or white, financially independent of her parents, and enrolled part-time

- Average cost of attendance: \$10,461
- Average expected family contribution: \$2,681 or 26% of the cost of attendance
- Average adjusted gross income: \$29,366
- Average financial aid award: \$2,689 or 26% of the cost of attendance
- 76% met the federal definition of need and had unmet need after receiving aid
  - Unmet need with loans - \$4,795
  - Unmet need with no loan - \$7,620

# State financial aid programs should be revised to provide better access for lower-income students



- From 1996, the first year the State's largest need-based aid program was implemented, to present, tuition and fees have increased by 96% at four-year publics and by 58% at the community colleges
- In 1996, the maximum award in this program was \$2,500, 71% of tuition and fees at the four-year publics and exceeded tuition and fees at the community colleges
- In 2007, the maximum award is \$3,000, 44% of tuition and fees at the four-year publics and approximately equal to average tuition and fees at the community colleges

# State financial aid programs should be revised to provide better access for lower-income students



- Funding for the Part-Time Grant program has increased from \$1.35 million in FY 2004 to \$6 million in FY 2008
- An additional 5,242 students have been awarded in this program and the average award has gone from \$421 to \$711
- Cancellation study indicates that the State's largest need-based program, the Educational Assistance Grant, does not meet the needs of part-time students
- Institutions report over 27,000 students on their campuses that could benefit from the Part-Time Grant program
- An additional \$19.6 million would be required to reach all eligible students

# State financial aid programs should be revised to provide better access for lower-income students



- The Distinguished Scholar Community College Transfer Scholarship was implemented two years ago and is currently funded at \$300,000
- This provides 100 students with a \$3,000 award after two years when transferring from a community college to a four-year institution
- 386 students have been placed on a waiting list in each of the last two years
- Funds are not sufficient to award all eligible transfer students



## Specific actions to provide better access for lower-income students

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- Increase funding for the State's largest need-based aid program to increase maximum awards and revise awarding methodology to allow students with lower EFCs to qualify for larger awards
- Increase funding for the Part-Time Grant program to better meet the needs of part-time students
- Provide more funding for the Distinguished Scholar Community College Transfer Scholarship to assist transfer students with continuing their education at four-year institutions



# Appendix

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# Expected Family Contribution and Adjusted Gross Income are highly correlated

Adjusted Gross Income	Expected Family Contribution					
	\$0	\$1-2,499	\$2,500 - 4,999	\$5,000- 9,999	\$10,000- 19,999	\$20,000+
\$0 - 9,999	\$ 5,127	\$ 1,841	\$ 442	\$ 418	\$ 341	\$ 215
\$10,000 - 19,999	2,438	1,366	1,126	263	52	18
\$20,000 - 39,999	1,303	5,734	1,564	1,882	640	48
\$40,000 - 59,999	61	1,337	3,156	2,496	923	128
\$60,000 - 79,999	39	100	739	2,728	2,303	422
\$80,000 - 99,999	25	16	95	1,290	2,805	962
\$100,000 +	40	20	28	422	2,888	6,278

Maryland Higher Education Commission

Student Financial Assistance: FY 2006 - 2008

Scholarship Program	FY 2006	FY 2007	FY 2008	FY 07-08	FY 2007-2008
	Actual	Legislative Appropriation	Legislative Appropriation	\$ Change	% Change
Educational Excellence Awards *	\$ 63,523,025	\$ 76,702,863	\$ 77,858,381	\$ 1,155,518	1.5%
Educational Assistance Grant	53,010,143	62,854,913	64,418,033	1,563,120	2.5%
Guaranteed Access Grant	10,512,882	13,847,950	13,440,348	(407,602)	-2.9%
Senatorial	6,432,200	6,486,000	6,486,000	-	0.0%
Edward T. Conroy	474,801	480,474	570,474	90,000	18.7%
Delegate	4,642,500	5,053,703	4,862,808	(190,895)	-3.8%
Fire Rescue Tuition Reimbursement	279,103	344,311	344,311	-	0.0%
Graduate and Professional Scholarship	687,312	1,500,000	1,500,000	-	0.0%
Distinguished Scholar	3,633,455	4,200,000	4,200,000	-	0.0%
Distinguished Scholar	3,483,455	3,900,000	3,900,000	-	0.0%
Distinguished Scholar Community College Transfer	150,000	300,000	300,000	-	0.0%
Tolbert Memorial Grant	239,700	277,500	277,500	-	0.0%
McAuliffe Memorial Teacher Scholarships <sup>2</sup>	670,869	574,027	-	(574,027)	-100.0%
HOPE Scholarships <sup>1</sup>	3,788,728	2,605,250	250,000	(2,355,250)	-90.4%
HOPE Scholarship - General	663,027	-	-	-	0.0%
HOPE Scholarship - Science and Technology	549,366	-	-	-	0.0%
HOPE Scholarship - Teacher	2,576,335	2,605,250	250,000	(2,355,250)	-90.4%
HOPE Transfer Scholarship	-	-	-	-	0.0%
Distinguished Scholar Teacher <sup>2</sup>	-	234,000	-	(234,000)	-100.0%
Janet L. Hoffman Loan Assistance Repayment Program <sup>1</sup>	2,387,774	2,852,795	2,852,795	-	0.0%
LARP	1,540,027	1,792,852	1,792,852	-	0.0%
LARP Primary Care Services	607,804	820,000	820,000	-	0.0%
LARP Dent-Care	239,943	239,943	239,943	-	0.0%
Nursing <sup>2</sup>	1,689,221	2,116,928	-	(2,116,928)	-100.0%
Physical & Occupational Therapist <sup>2</sup>	49,000	18,500	-	(18,500)	-100.0%
Child Care Providers <sup>2</sup>	76,500	83,250	-	(83,250)	-100.0%
Developmental Disabilities and Mental Health <sup>2</sup>	924,930	832,500	-	(832,500)	-100.0%
Part-Time Grants	4,693,156	6,000,000	6,000,000	-	0.0%
William Donald Schaefer Scholarship <sup>2</sup>	80,108	150,000	-	(150,000)	-100.0%
Workforce Shortage Assistance Grants	-	-	4,009,205	4,009,205	N/A
Veterans of the Afghanistan and Iraq Conflicts	-	-	500,000	500,000	N/A
<b>Total</b>	<b>\$ 94,272,382</b>	<b>\$ 110,512,101</b>	<b>\$ 109,711,474</b>	<b>\$ (800,627)</b>	<b>-0.7%</b>
General Funds	93,162,299	108,702,897	107,902,270	(800,627)	-0.7%
Special Funds	500,879	1,000,000	1,000,000	-	0.0%
Federal Funds	609,204	609,204	609,204	-	0.0%
Reimbursable Funds	200,000	200,000	200,000	-	N/A
	<b>\$ 94,272,382</b>	<b>\$ 110,512,101</b>	<b>\$ 109,711,474</b>	<b>\$ (800,627)</b>	<b>-0.7%</b>

Notes:

1) Amounts combine all awards for particular program.

2) Consolidated into the Workforce Shortage Assistance Grant program.

Sources: Maryland FY 2007 Operating Budget Books; FY 2007 Budget Bill; 2006 Joint Chairmen's Report; Maryland Higher Education Commission.

## Recipients of Student Financial Assistance: FY 2006 - 2008

Program	FY 2006 Actual		FY 2007 Working Appropriation		FY 2008 Appropriation	
	Recipients	Avg. Award	Proj. Recip	Avg. Award	Proj. Recip	Avg. Award
Educational Assistance Grant	24,506	\$ 1,980	26,945	\$ 2,317	25,752	\$ 2,385
Campus-Based Educational Assistance Grant	2,019	1,454	1,859	1,614	1,771	1,694
Guaranteed Access Grant	1,204	8,921	1,464	9,456	1,380	9,740
Senatorial Scholarships	6,448	862	6,591	984	7,123	911
Delegate Scholarships	5,027	896	6,109	827	5,729	849
Distinguished Scholar Program	1,271	2,938	1,327	2,938	1,367	2,853
Distinguished Teacher Education Program	29	2,948	79	2,954	-	-
Distinguished Scholar Community College Transfer	51	2,882	100	3,000	100	3,000
LARP - General	671	2,203	970	2,395	803	2,232
LARP - Primary Care Services	20	25,397	28	29,180	31	26,820
LARP - Dent-Care	9	32,373	10	32,790	7	32,721
Edward T. Conroy Memorial Scholarship Program	89	5,082	89	5,387	101	5,656
Part-Time Grant Program	7,309	639	8,859	677	8,437	711
Graduate and Professional Scholarship	368	1,867	1,141	1,314	1,087	1,380
Reimbursement of Firemen and Rescue Squadmen	147	2,317	170	2,023	163	2,114
J.F. Tolbert Memorial Student Grant Program	932	300	925	300	925	300
Sharon Christa McAuliffe Memorial Program	64	10,626	63	9,071	-	-
Physical & Occupational Therapist	28	1,893	10	1,890	-	-
Child Care Providers	56	1,112	73	1,134	-	-
Maryland State Nursing Scholarship Program	648	2,619	860	2,556	-	-
HOPE Science and Technology Scholarship	239	2,831	0	2,865	-	-
HOPE Maryland Teacher Scholarship	690	4,608	572	4,552	55	4,580
HOPE Scholarship	284	2,889	0	2,859	-	-
HOPE Transfer Scholarship	-	-	0	1,409	-	-
Developmental Disabilities and Mental Health	457	2,021	447	1,864	-	-
William Donald Schaefer Scholarship	10	7,970	20	7,584	-	-
Workforce Shortage Student Assistance Grant					2,143	1,871
Veterans of the Afghanistan and Iraq Conflicts					88	5,656
<b>Total Recipients</b>	<b>52,576</b>	<b>\$ 1,771</b>	<b>58,613</b>	<b>\$ 1,936</b>	<b>57,061</b>	<b>\$ 1,923</b>

Note: FY 07 working appropriation includes FY 06 carry forward; it is assumed that there will be some level of FY 07 carry forward, but it has not been estimated for FY 08 target or req