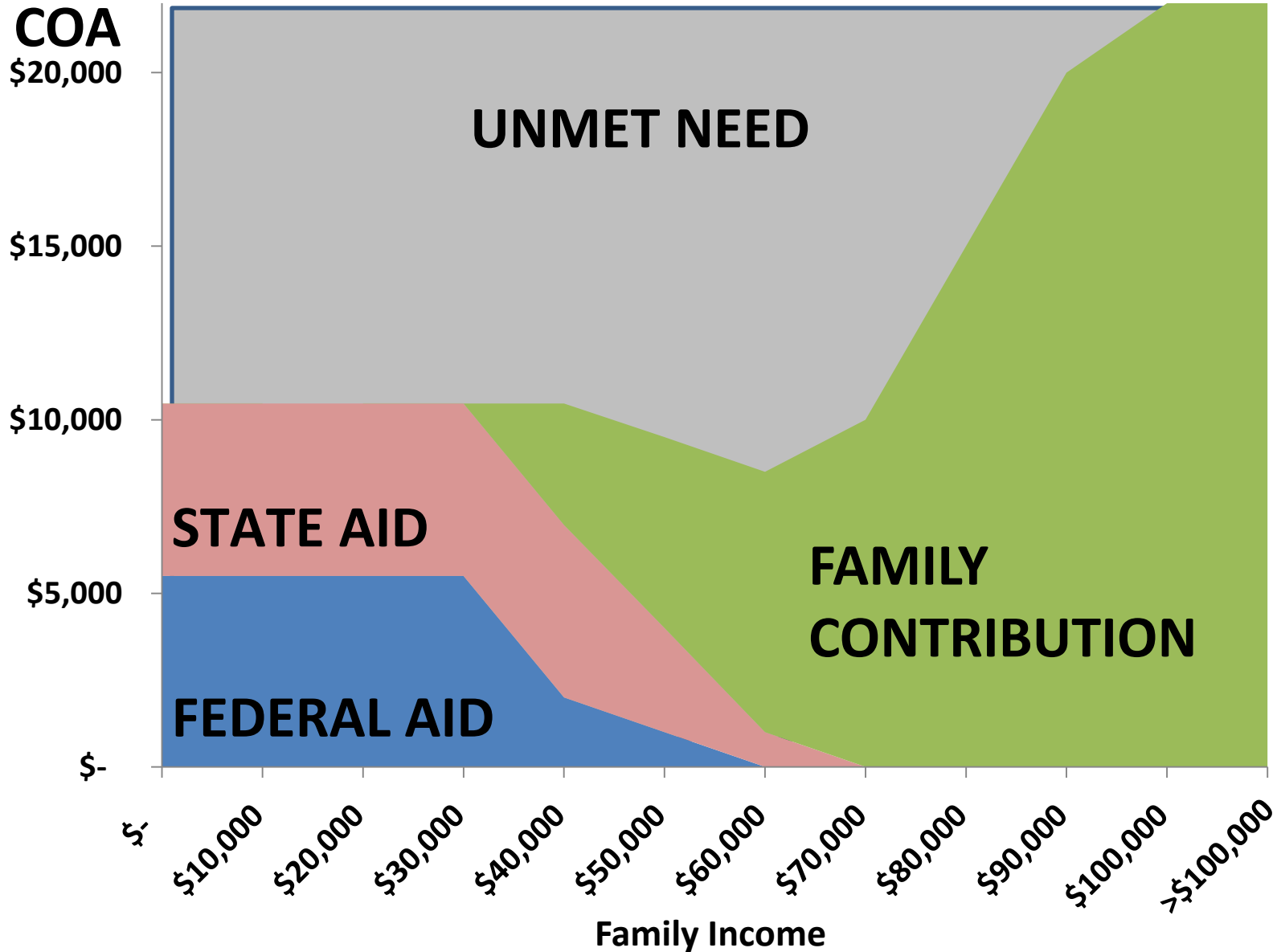


ISAC Current Model

- Student self-help minimum of \$1,800
- Parents' contribution inflated with higher inflation applied to higher incomes $(PC/11000+1.1)*PC$
- 80% of Pell is considered an asset
- No explicit mention of tax credits
- No explicit mention of institutional aid
- Very low COA calculation: \$4,875 used for living allowance; 2004 tuition and fees
- No awards for students with federal EFCs of \$9,000 or greater (about \$65,000 family income w/one in college).
- Maximum award \$4,968. Statutory maximum award \$6,468. Reduction factors of up to 10% have been applied (reducing the maximum to \$4,471)

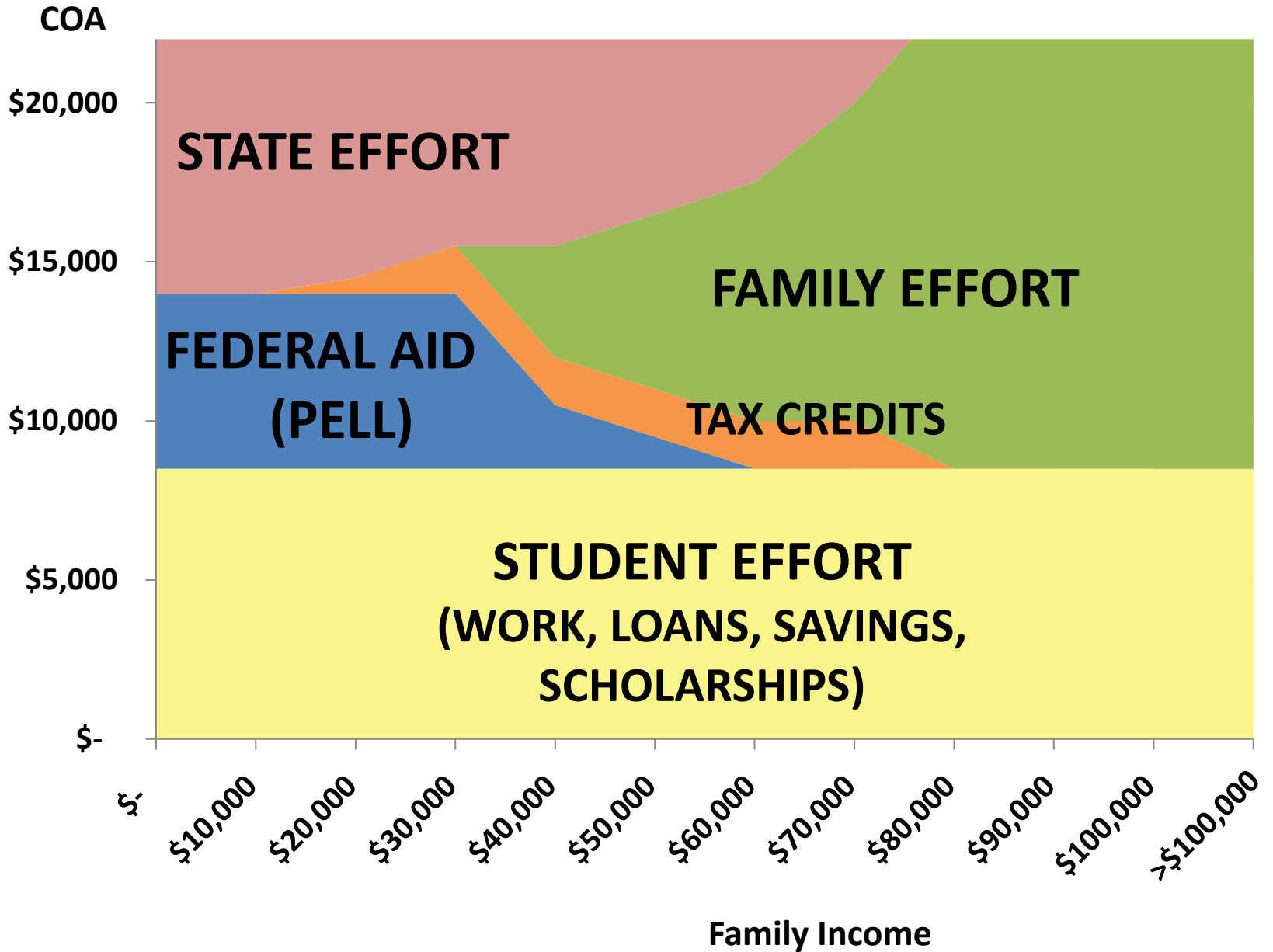
CURRENT ILLINOIS POLICY



Oregon Shared Responsibility Model

- Explicitly identifies the parties contributing: students, parents, the federal government (Pell and tax credits) and the state government
- The student's contribution contains working, savings, **loans**, scholarships: \$4,750 for students attending community colleges and \$7,500 for students attending public four-year institutions.
- Students at private institutions are treated the same as those attending public universities.
- State pays the last dollar expenses.

OREGON SHARED RESPONSIBILITY MODEL



Advantages/Disadvantages to Oregon Model

- Explicitly lays out the obligations of students, parents and government. Emphasizes that higher education is also a public good.
- Shows large contribution made by parents and students to pay for what is perceived as a private good.
- Includes tax credits in the analysis
- Does ***not*** emphasize the role of institutional aid or tuition cost controls.
- Integrates student aid with other funding sources

Expansion of Model

- Programs using this approach are small compared to Illinois:
 - Oregon (2007) \$72M
 - Minnesota (1983) \$156 M
 - Compared to Illinois \$371M for 2013
- Certain types of aid could be made more explicit
 - Institutional aid
 - Loans
- Could be expanded to include academic shared responsibilities
- Current model has four partners:
 - State
 - Federal government
 - Parents
 - Studentscould be expanded to include *schools*

Academic Shared Responsibilities – Students and Families

- Student merit component
 - From HS to college: GPA, class rank, ACT score, dual credit, AP courses, college prep curriculum
 - From year to year in college: some variation on the qualitative (GPA) and/or quantitative (pace determined by hours completed or hours attempted/hours completed) criteria now set by the Pell Program

Academic Shared Responsibilities – Schools

- Two to four year transfer success rates
- 100%, 150%, 200% Graduation rates
- Retention rates
- 3-year trial cohort default rates
- Existence and success of bridge programs
- Success in remedial courses
- Innovative programs