

AGENDA ITEM 9.

FY2004 MAP AND IIA APPLICATION VOLUME AND REQUEST FOR AUTHORITY TO SUSPEND

Submitted for: Action

Summary: As of a U.S. Department of Education application-received date of June 4, 2003, the number of announced applications, or completed applications from Illinois residents planning to attend an institution that is eligible to participate in the Monetary Award Program (MAP) totaled 195,301, an increase of 8.1 percent over the same point in the FY2003 processing cycle. Announced applications have increased 18.3 percent for independent students with dependents, 8.3 percent for independent students without dependents, and 4.8 percent for dependent students.

At this time, 66 percent of announced applicants are eligible for a MAP award for the 2003-2004 school year, making eligible application volume 9.8 percent higher than last year. FY2004 eligible applicants for the Illinois Incentive for Access (IIA) Program are also up from FY2003. As of June 4, there were more than 19,000 known freshman applicants with an expected family contribution (EFC) of zero, representing an even greater increase than in MAP volume.

This trend in MAP and IIA application volume reflects the nationwide increase in student aid application volume. According to the U.S. Department of Education, the number of FY2004 “valid applicants,” or those with an EFC calculated, at the end of May was up 5.8 percent from the same point last year. Included in this figure is a 2.7 percent increase in dependent applicants and an 11.3 percent increase in independent applicants.

The FY2004 appropriation for MAP has not yet been finalized, though it is expected that MAP will receive \$12 million more than in FY2003, or \$348 million. This includes the \$336 million recommended by the Governor in his proposed budget, plus an additional \$12 million added by the General Assembly specifically to help restore fifth-year MAP eligibility (which was eliminated for the first time in the FY2003 budget). This \$12 million is not enough to fully address this issue, but should allow ISAC to extend eligibility for 4 1/2 years. Whether that \$12 million will be available, and what the final MAP appropriation will be for FY2004, remains contingent upon action by Governor Blagojevich.

Even assuming a \$12 million increase in funding for fifth-year MAP, higher application volume will necessitate suspension of award announcements at some point prior to the October 1 priority processing date. When that suspension will occur is contingent upon the decision the Commission makes regarding the recompute formula. Suspension dates for MAP and IIA award announcements may be separate depending on application volume for each program.

Action requested: That the Commission authorize staff to suspend FY2004 award announcements for MAP and IIA when it becomes necessary to avoid a substantial risk of overcommitting MAP and IIA funding.

ILLINOIS STUDENT ASSISTANCE COMMISSION

**FY2004 MAP AND IIA APPLICATION VOLUME
AND REQUEST FOR AUTHORITY TO SUSPEND**

FY2004 MAP Application Volume

As of the U.S. Department of Education application-received date of June 4, 2003, the number of FY2004 announced MAP applicants, or those who were undergraduate Illinois residents attending approved institutions, totaled 195,301, 8.1 percent higher than last year. Eligible volume increased 9.8 percent. Table 1 summarizes FY2003 and FY2004 applications received by sector.

Table 1: Comparison of FY2003 and FY2004 MAP Applications Received as of June 4, by Sector			
	FY2003	FY2004	% Change
Announced Applications	180,590	195,301	8.1%
Eligible Applications	117,619	129,165	9.8%
Announced By Sector			
Public Universities	68,211	70,083	2.7%
Private Four-Year	53,459	56,545	5.8%
Community Colleges	49,456	58,255	17.8%
Private Two-Year	2,349	2,782	18.4%
HSN/Professional	496	644	29.8%
Proprietary	6,619	6,992	5.6%
Eligible By Sector			
Public Universities	39,132	40,632	3.8%
Private Four-Year	34,058	35,587	7.4%
Community Colleges	37,180	43,870	18.0%
Private Two-Year	1,965	2,317	17.9%
HSN/Professional	370	492	33.0%
Proprietary	4,914	5,267	7.2%

As shown in Table 1, the community colleges have seen the greatest increase. Eligible applications for that sector increased 18.0 percent, from 37,180 last year to 43,870. The number of eligible applications at public universities increased 3.8 percent. At private universities, volume was up 7.4 percent and the proprietary sector saw a 5.6 percent increase in eligible application volume.

Table 2: Comparison of FY2003 and FY2004 MAP Applications Received as of June 4, by Dependency Type			
	FY2003	FY2004	% Change
Announced Applications	180,590	195,301	8.1%
Eligible Applications	117,619	129,165	9.8%
Announced by Dependency Type			
Dependent	113,754	119,203	4.8%
Independent Without	28,690	31,076	8.3%
Independent With Dep	38,146	45,022	18.0%
Eligible by Dependency Type			
Dependent	59,899	64,208	7.2%
Independent Without	22,479	23,198	3.2%
Independent With Dep	35,241	41,759	18.5%

The overall increase in applications is largely driven by a higher number of applications from independent students. Volume for eligible independent students with dependents was up 18.5 percent. Volume for independent students without dependents increased by 3.2 percent, and eligible dependent student volume rose by 7.2 percent. Table 2 summarizes FY2003 and FY2004 application volumes by dependency type.

Changes in income levels for eligible applicants are mixed. Average income for parents of eligible dependent students is \$31,116 down from \$31,362, a 0.8 percent decrease. Dependent student income rose from \$4,931 to \$5,157. Average income for eligible independent applicants increased 1.0 percent, from \$16,725 to \$16,899. The federal expected family contribution (EFC) has actually decreased for eligible applicants – by 2.3 percent (\$2,447 to \$2,391) for dependent students and 12.7 percent (\$1,194 to \$1,042) for independent students. At this time, nearly 40 percent of the FY2004 MAP eligible applicants have an expected family contribution of zero – up from 37 percent at this time for FY2003. This suggests that the increase in IIA-eligible applicants will be even greater than the increase in MAP-eligible applicants.

FY2004 IIA Application Volume

Application volume for the IIA program is slightly more difficult to predict than MAP volume. Students eligible for IIA are those who are freshmen and have an expected family contribution of zero. While the zero-EFC population can be easily identified, class level must be taken from the student’s FAFSA until it is verified by the school. Students entering their second year of school may consider themselves sophomores, but unless they have earned enough credits they may still be classified as freshmen. In such cases, unless they have expended their full \$500 IIA award, they could still be eligible. Nevertheless, Table 3 below shows that applications from known freshmen with zero-EFC's have increased by 24.1 percent in FY2004. The FY2004 appropriation for IIA is \$7.2 million, representing level funding from FY2003.

Table 3: Comparison of FY2003 and FY2004 IIA Eligible Applicants: Known Freshmen With Zero Expected Family Contribution			
	FY2003	FY2004	% Change
Public Universities	2,813	3,128	11.2%
Private Four-Year	2,875	3,878	34.9%
Community Colleges	8,632	10,690	23.8%
Private Two-Year	467	554	18.6%
HSN/Professional	46	77	67.4%
Proprietary	605	831	37.4%
Total	15,438	19,158	24.1%

Request Permission to Suspend

Due to the increased application volume for both MAP and IIA it will be necessary to suspend award announcements at some point prior to the October 1 priority processing date. As noted in the preceding item, under the recompute formula recommended by staff, it is estimated that suspension of MAP announcements would occur in early August, and shortly thereafter for IIA. (If an alternative recompute formula is approved, suspension would occur either earlier or slightly later, depending upon the formula approved by the Commission.) Staff is requesting Commission authorization to suspend FY2004 award announcements when it becomes necessary to avoid overcommitting MAP and IIA funding.