

AGENDA ITEM 6.

MONETARY AWARD PROGRAM CALCULATING MAP RECIPIENTS' GRADUATION RATES

Submitted for: Information

Summary: The expectations surrounding MAP have helped define the criteria used to measure the success of the program. MAP was designed to help students with financial need access the college of their choice. Program success has been measured by the number of low-income students who received MAP and were provided with access to college. Many of these students are first generation college students; providing these students with access to college is perceived as establishing a gateway to college for future members of those students' families.

It has always been understood that some MAP recipients would complete their programs and others would not. While program completion was always desirable, the emphasis was on giving students an *opportunity* to succeed by removing financial barriers. While this goal hasn't changed, changing economic conditions and a huge increase in program demand are driving a reexamination of access as the primary goal for MAP. Is providing access enough? Should the Commission be more concerned about completion?

Rising demand for college credentials is pulling more and more students into college, many for credentials other than bachelor's degrees such as certificates and associate's degrees. These new students are attending less selective schools in larger numbers and may be less prepared for college, as more students ranked in the middle or lower of their high school classes seek out postsecondary education. College costs, particularly at public universities, are rising at a rate of 10 percent or more per year, rapidly diminishing the value of the MAP grant. At the same time, grant funding has remained relatively flat, and is currently threatened with huge cuts. Grant coverage has decreased, and many lower-income students can no longer cover college costs with grants plus their own resources, but instead must take out significant student loans to cover their expenses. These loans can become a burden if the borrower does not complete his program.

While both access to higher education and choice of school are important goals from the students' point of view, what is critical from the state's point of view is an increase in the performance of its workforce, measured by the percentage who have obtained some postsecondary credential. Succeeding in school also is critical for our MAP recipients. Getting the degree or certificate is more important than ever to secure a well-paying job upon graduation. Completing the academic program is essential to the goals of both the state and the student.

Commission staff will begin the process of tracking our MAP recipients' progress toward their postsecondary credentials. Staff will begin providing to the Commission MAP recipient graduation data four years from the time each class is admitted, allowing it to track graduation rates of its MAP recipients by school, dependency status, attendance status, income level and generation status.

Action requested: None

ILLINOIS STUDENT ASSISTANCE COMMISSION
MONETARY AWARD PROGRAM
CALCULATING MAP RECIPIENTS' GRADUATION RATES

Introduction

The Monetary Award Program (MAP) helps remove financial barriers preventing Illinois residents from pursuing postsecondary education by providing tuition and fee assistance at Illinois institutions for students who are financially needy. The level of support provided to students is based on the annual cost of their education and the financial resources they have available, subject to limitations on the maximum MAP grant that can be paid.

Since its inception in 1967, MAP has been encumbered with certain expectations about what the program can do, where it can be used, and who can receive it. These expectations have changed over time, as the program adjusts to changes in the college-going population, the needs of the state, budget realities and other factors. During the 1980s and 1990s, a drive to include different student populations led to part-time students, less-than-half-time students and students attending some proprietary schools becoming eligible for MAP grants. Program changes also can be driven by economic pressures. In recent years, budget constraints have precluded updating the MAP distribution formula with current costs. The impact of this decision was to drive more of the funding toward the lowest income students and to extend the application deadline for as long as possible, helping independent students who apply later in the academic cycle.

The expectations surrounding MAP helped define the criteria for measuring the program's success. MAP was designed to help students with financial need access the college of their choice. Program success has been measured by the number of low-income students who take their MAP grants and attend college. Many of these students are first generation college students; providing these students with access to college is perceived as establishing a gateway for future members of those students' families.

Should the criteria for MAP success be augmented with completion rates?

It has always been understood that some MAP recipients would complete their programs and others would not. While program completion was always desirable, the emphasis was on giving students an opportunity to succeed by removing financial barriers. While this goal hasn't changed, changing economic conditions and a huge increase in program demand are driving a reexamination of access as the primary goal. Is providing access enough? Should we also be concerned about completion?

Consider the following:

1. MAP application volume has increased dramatically since 2000.

In 2000, total applications topped 418,000 and announced applications (those students who met the basic criteria for consideration) rose to over 280,000. There were 194,000 MAP-eligible students, 137,000 claimed their awards. No eligible students were suspended. In FY2009, total applications were over 661,000, announced applications were about 402,000, eligible applications were 259,000, and about 144,000 students claimed their awards. The Commission suspended award announcements on July 27th. For FY2010, award announcements were suspended on May 15th, and there are even greater pressures on the program. Even assuming the most optimistic budget scenarios, the Commission will likely turn away 100,000 eligible applicants because it cannot fund them.

2. *MAP recipients today are different from their predecessors.*

Application volume has increased for both dependent and independent students. In 1980, about 50 percent of recent high school graduates pursued postsecondary education; today it is 65 percent, reflecting the increased importance of a postsecondary credential. These students, however, may not be as academically prepared as their predecessors. A student in the 65th percentile of class rank is, by definition, a weaker student than the one sitting at the 50 percent mark. Independent students also are returning to college in record numbers to improve their skills or train for new careers. Independent students often enroll in programs that lead to certificates and associate's degrees.

That our current MAP recipients are somewhat different from the students MAP served in previous decades is reflected in their school choice. In 1990, 62 percent of MAP recipients were attending public universities or private four-year institutions; today that number is 54 percent with 46 percent attending community colleges, other private two-year institutions or proprietary schools. In 1990, about 12,900 MAP recipients attended the most selective Illinois institutions – about 12 percent of MAP recipients; by 2008, that number had fallen to 11,700 (8 percent) despite a 35,000 increase in total recipients.

3. *Appropriations for MAP have increased, but not nearly enough to support the increases in volume and college costs.*

Nominal appropriations for MAP have increased during this decade – from \$337 million in 2000, to \$385 in 2009. But a cursory look at the numbers – a 34 percent increase in MAP-eligible students is being met by a 14 percent increase in MAP appropriations – would indicate that new student need is not being adequately met. Stretching fewer dollars across more students is further complicated by the dramatic college cost increases that have occurred during this period. In 2000, the average tuition and fees of a year at an Illinois public university was \$4,160; in FY2009, it was \$9,452, an increase of 127 percent.

During MAP's first two decades, the program provided grants to lower income students who needed financial help to attend any college and to middle income students who chose to attend private institutions with higher costs. MAP provided both access and choice. More recently, because the Commission had to stretch limited MAP dollars to provide aid to more students, it had to adjust the MAP eligibility formula so that it directs aid primarily to the poorest students. It is more difficult today than it was in the past to qualify for MAP. In 1990, the mean family income for dependent MAP recipients was \$21,650; in 2008, it was \$33,097, a 53 percent increase, and well below the \$35,230 that would account for inflation. Contrast that with the increase in incomes for non-eligibles: \$45,969 in 1990 and \$106,611 in 2008, a 132 percent increase. Families from higher income quintiles are applying for aid as result of higher college costs and many have demonstrated need. MAP, however, isn't serving even the same income levels as twenty years ago, much less addressing this new need. This dynamic is reflected in the changing MAP grant sector percentages already discussed. Twenty years ago, the typical MAP recipient attended a four-year institution; today the typical recipient attends a community college.

During this period of dramatically increasing college costs, where the average cost of a public university has increased by \$5,292, the maximum MAP award has only increased by \$438, from \$4,530 in FY2000 to \$4,968 today. Less than ten years ago, all eligible students received a MAP grant and the dollar value of the grant completely covered the tuition and fees at a public university. Today, nearly as many eligible students will not receive awards as will receive them and the award will cover only about half of the tuition and fees at a public institution.

This deficiency of coverage is creating a new concern. In the past, a MAP recipient could take his grant, pay for the tuition and fees at a college for a year, and, if it didn't work out, walk away. He would not have his postsecondary credential but he did get an opportunity to attend college. Today, because of the reduced coverage of the MAP grant, this student is also likely to walk away with a

significant Stafford loan that he will have difficulty repaying. An opportunity to attend college can cost the unprepared, undirected or unmotivated student dearly.

Tracking MAP recipient graduation rates

MAP has faced challenges before and the program is at a crossroads again. As already discussed, rising demand for college credentials is pulling more and more students into college, many for credentials other than bachelor's degrees such as certificates and associate's degrees. These new students are attending less selective schools in larger numbers and may be less prepared for college, as more students ranked in the middle or lower of their high school classes seek out postsecondary education. College costs, particularly at public universities, are rising at a rate of 10 percent or more per year, rapidly diminishing the value of the maximum MAP grant. At the same time, grant funding has remained relatively flat, and is currently threatened with huge cuts. Grant coverage has decreased, and many lower-income students can no longer cover college costs with grants plus their own resources, but instead must take out significant student loans to cover their expenses, which can become unmanageable debt later on.

These pressures on the program force a re-evaluation of the goals. Providing students with access to and choice of college was the original intent of MAP – the increase in the number of students who attended college, especially at private schools, demonstrated the effectiveness of the program in meeting these initial goals. Over time, as demand increased and MAP dollars shrunk in real terms, the goal has been, at least informally, to provide access. The success of this goal is demonstrated in the increasing number of students receiving MAP through 2005. But from 2006 on, MAP has been unable to accommodate more students, even though more students in need of financial aid are graduating from high school each year. Even worse, the coverage of the award is shrinking, down to less than 20 percent of tuition and fees at private institutions and only about 70 percent coverage at the least expensive option, community colleges. During the past few years, award claim rates have declined for our poorest recipients, suggesting that the award is no longer sufficient to provide these students access to even our lowest cost institutions. And for 100,000 eligible students, no MAP grant at all will be provided in FY2010.

In this environment, it is important that every MAP dollar works hard. While both access to higher education and choice of school are important goals from the students' point of view, what is critical from the state's point of view is an increase in the performance of its workforce, measured by the percentage who have obtained some postsecondary credential. The Commission needs to begin the process of tracking our MAP recipients' progress toward their postsecondary credentials. While it may not be the intent of some MAP recipients to complete a degree program, in order to qualify for MAP, the recipient must be "enrolled in an eligible degree or certificate program..." Enrolling in a program that leads to a degree or certificate comes with some expectations that completing the program and receiving the credential would demonstrate success.

Succeeding in school also is critical for our MAP recipients. Getting the degree or certificate is more important than ever to secure a well-paying job upon graduation. Due to the increasing costs of higher education and the limited grant funding available, many more MAP recipients are carrying loans, and bigger loans than before. For years, dependent freshmen could not borrow more than \$2,625 in Stafford loans; today that limit is \$5,500. Not completing their programs and leaving without a degree can now mean leaving with significant debt and not much to show for it. Student loan default data show the most common student loan defaulter is a student who takes out a loan, attends for a year but does not complete, and is stuck with a debt that he cannot repay and cannot discharge through bankruptcy.

If program completion rates are to be considered as a new measure of success for MAP, a method of tracking MAP recipients' progress in school is needed. While all MAP recipients are enrolled in programs that lead to degrees or certificates, not all of them are enrolled full-time. Many MAP recipients,

particularly independent students, always attend half-time or less-than-half time. Many others migrate among attendance statuses: full-time one semester, part-time the next, maybe even skipping a semester here and there. From surveys of our MAP recipients we know that sometimes work issues dictate a change in enrollment status, sometimes there is an inability to get the courses needed, and sometimes the reasons are financial or personal issues intervene. Time-to-degree is affected by changing enrollment status and can also be lengthened by program changes and school changes.

A few years ago, we took a small step toward focusing on program completion. MAP is now paid on a credit hour basis – MAP-paid credit hours (MPCH). Students may receive up to 135 MPCH of MAP, enough for 4.5 years of full-time study. The minimum number of semester hours for a bachelor's degree is 120, so the 135 hours provides 15 hours above the minimum. Some students do require more than 120 hours to graduate because they are in programs with more credit hour requirements, they had to take remedial coursework, they changed majors or schools and lost credits, or they withdrew from or failed courses after the refund deadline. By restricting the total MAP grant paid to 135 MPCH hours it was hoped that students would be encouraged to minimize time to degree, and encourage fewer dropped classes and failures. An intermediate maximum was set at 75 MPCH for underclassmen. Students must obtain junior status before they can collect more than 75 MPCH of MAP.

As long as a student is receiving MAP, Commission staff can follow him through his years in school using MPCH. After the student hits 135 MPCH, we can no longer track his progress but we can determine if he filed a FAFSA – an indication that he was planning on continuing his education. We can also “lose” students who may chose a less expensive institution and lose their eligibility for MAP. For example, a student may be eligible for MAP at a private school but not at a community college. Some students may have exhausted their benefits at a community college due to the 75 MPCH constraint but will receive them again when they move on to a four-year institution and attain junior status. For most students, however, using MPCH will successfully chart their progress through school.

Commission staff will begin tracking students when they first accept a MAP grant and classify them by school, dependency type (dependent or independent) and attendance pattern (full time, $\frac{3}{4}$ time, half-time, less-than-half time) during that first semester. The classification that a student is given initially (e.g. dependent, full-time) will be his classification for all future years. Published graduation rates are usually based on 6-year graduation rates of first-time, full-time freshmen. Each year, we will isolate this group of MAP recipients so that we can compare 6-year MAP recipient graduation rates with overall school 6-year graduation rates. We will track all students through the MAP database until they drop out of the database. When staff can no longer locate a student in the database they will try to ascertain if the student is still considering school (filed a FAFSA) or may be in school but “maxed out” on MAP benefits (hit the 75 or 135 MPCH cap.) For the first four years, all tracking will be done through the MAP database.

Staff will not check on graduation status until four years after the student begins college, even if the student is attending a two-year school. In the summer of year four and for subsequent years up to ten, any students not claiming MAP will be considered as potential graduates, subject to verification. For students attending community colleges and public universities, their names will be checked against a statewide enrollment database which contains enrollment and graduation data for students attending public universities, a few private institutions, and community colleges. Students not found on this database will be matched to the National Student Clearinghouse (NSC) database. This database is very good but will be used last because of its significant cost per record matched.

Staff will start providing graduation data by school to the Commission four years from the time each class is admitted. The data to be collected will be displayed in the following format:

Freshman class: Fall 2009 (FY2010)

School: Name of Institution

Classification	Still Attending	Not in School	Original Institution			Different Institution			Total
			# Certificate	# AA/AS	# BA/BS	# Certificate	# AA/AS	# BA/BS	
Summer 2013									
Dependent, FT freshman									
Independent, FT freshman									
Dependent, PT freshman									
Independent, PT freshman									
Summer 2014									
...									

Beginning with the fourth year after the MAP recipients are admitted, external databases will be used to track graduations. Tracking will continue through 10 years for each MAP recipient. By extending the tracking period to ten years, staff can develop graduation rates for part-time students. Many independent MAP recipients are part-time and good graduation rate data are meager for this group.

From these data sets the Commission will be able to track four, five, and six-year graduation rates for full-time freshmen who receive MAP by institution. It will also be able to determine the number of MAP recipients who acquire a certificate or two-year degree, either as a terminal degree or in progress toward a bachelor's degree. MAP completion rates can be compared to the rates of all students attending a particular institution. Any change increase in graduation rates by school and by dependency type will be measured from year to year. We will also track student graduation rates by family income level and generation status – whether the student is the first in his family to attend college.

In the coming months, a baseline set of graduation rates will be established for future comparison, by calculating the six-year graduation rates for the FY2005 MAP recipients, the five-year graduation rates for the FY2006 MAP recipients and the four-year graduation rates for the FY2007 MAP recipients.

Tracking graduation rates is an important first step to help the Commission and its MAP recipients get the most benefit from the MAP dollars it distributes. Completing programs of study have become increasingly important in a world where postsecondary education credentials matter and where most low income students take out loans to attend college, even as freshmen. While providing students with sufficient funding to get them into college is important, getting students out of the academic world with postsecondary credentials is important for creating the educated workforce that will allow Illinois to compete in an increasingly sophisticated marketplace for labor.