

New MAP Allocation Scenarios

Introduction

Prior to Thanksgiving, you received a number of additional scenarios, as well as a partial initial draft of the task force report. The following additional scenarios (Scenarios #1 through #4) have been suggested either in Task Force Meeting #5 or subsequent to it. Scenario #5 is an attempt to merge components of Scenarios #1 and #2. Scenario #6 is the flexible MAP scenario presented at the last meeting, revisited.

The table on the next page summarizes the impact of each scenario variation on the number of MAP recipients, estimated number of MAP graduates and the estimated average graduation rate. As we have mentioned before, if there is a sufficient increase in the number of MAP recipients, the number of MAP recipients who graduates can increase even if the average graduation rate falls. Under the right conditions, expanding access, which seems to be the preferred outcome from this task force, can increase the number of MAP graduates.

The accompanying Excel workbook contains all the scenario sheets with diversity and sector details as well as any other calculations we had to make.

Summary Impacts of Scenarios and Their Variations

		MAP recipients	Estimated graduates	Average Graduation Rate
BASELINE Scenario		135,762	53,956	39.7%
		Net new MAP recipients	Change in Estimated graduates	Average Graduation Rate
Scenario 1	Two claim deadline dates; award by EFC			
Model A	Award all applicants through March 15; first-time through August 15; EFC cutoff of \$4,900 for all applicants	12,863	(442)	36.0%
Model B	Award all applicants through March 15; first-time through August 15; EFC cutoff of \$5,800 for applicants before March 15; \$900 EFC for March 16-August 15	10,710	(173)	36.7%
Model C	Award all applicants through Feb. 28; first-time through July 15; \$6,468 Maximum MAP; Adjust Retention; EFC cutoff of \$4,075 for all applicants	(12,832)	(9,308)	36.3%
Model D	Award all applicants through Feb. 28; first-time through July 15; \$6,468 Maximum MAP; Adjust Retention; EFC cutoff of \$5,000 for applicants before March 1; \$600 March 1-July 15	(14,873)	(9,195)	37.0%
Model E	Award all applicants through Feb. 28; first-time through July 15; \$6,468 Maximum MAP; Adjust Retention; EFC cutoff of \$4,350 for applicants before March 1; \$2,600 March 1-July 15	(13,325)	(9,280)	36.5%
Model F	\$3,400 EFC Cap through March 14; \$3,400 EFC Cap Independents only through July 15,	16,176	(1,388)	34.6%
Model G	FY13 T&F & \$5,550 Pell; \$3,400 EFC Cap through March 1; \$2,400 EFC Cap Independents only through July 15;	6,930	(5,049)	34.3%
Model H	FY13 T&F & \$5,550 Pell; 10% reduction factor; \$4,100 EFC Cap through March 1; \$4,100 EFC Cap Independents only through July 15	14,051	(2,229)	34.5%
Model I	Award all applicants through March 15; first-time through August 15; EFC cutoff of \$5,500 for all applicants; "5th Group" institutions' awards only 80%	15,635	1,061	36.3%
Model J	Award all applicants through March 14; independents through July 15. \$3,800 EFC cutoff for all; "5th Group" institutions' awards only 80%	19,250	(3)	34.8%

		Net new MAP recipients	Change in Estimated graduates	Average Graduation Rate
Scenario 2	State and federal grant aid cannot exceed tuition and fees (with variations)			
Model K	Pell + MAP <= \$5,550 for dependent community college recipients; cut-off late March. Extend processing until May 8 for independent students.	1784	(1480)	38.1%
Model L	All CC Awards Limited to Pell + MAP <= \$6,250, extend CC processing to July 15	39,205	7,286	35.0%
Model M	All CC Awards Limited to Pell + MAP <= \$6,100, extend CC processing to August 17	52,748	9,672	33.8%
Scenario 3	Lower max awards; later deadline for independents			
Model N	ICCB proposal to use different maximum awards by sector and a dual processing deadline with a later deadline for independent students	70,331	20,156	36.0%
Scenario 4	Change MAP eligibility for proprietary schools			
Model O	Reduce awards for students in two-year degree programs at proprietary schools to cc level	1,191	406	39.7%
Scenario 5	Hybrid model incorporating EFC reduction and limiting grant aid coverage at Community Colleges			
Model P	Reduce EFC cap to \$7,000 and restrict Pell+MAP<=\$6,150.	52,245	9109	33.5%
Scenario 6	Flexible MAP			
Model Q	10% of MAP funds set aside as a school "allocation" to be distributed by the school in accordance with state goals. <i>No scenario sheet available.</i>	unknown	unknown	unknown

Description of Scenarios and Their Variations

1. Two claim deadline dates – an extended deadline for first-time students or independent students. Students awarded by EFC. (Models A through L)
 - a. The initial cut-off dates asked for by the task force were not feasible –either we couldn't spend all the money during the second period or the EFC during the second cut-off period was higher than the first EFC cut-off. We only kept scenarios where the second EFC cut-off was equal to or less than the first.
 - b. Using March 15 and August 15 deadlines (Models A and B), we show two scenarios with different EFC cut-offs, the second for first-time applicants only. The first has only one cut-off of \$4,900 (basically all Pell-eligibles) for everyone. The second has a higher first cut-off of \$5,800 which requires a second EFC cut-off of \$900 to keep the August 15 deadline. Both scenarios increase the number of MAP recipients by more than 10,000 with only a little reduction (less than 400) expected in the number of graduates.
 - c. Models C, D, and E also have different cut-off dates for first-time applicants but increase the size of the maximum MAP award by \$1,500. Since both scenarios reduce the number of grants awarded and the number of graduates, these scenarios do not appear to take us in a direction we want to go.
 - d. Model F puts in place a \$3,400 EFC cap for everyone allowing dual processing deadlines of March 14 and July 15 (independents only); about 16,000 more students receive grants but the expected number of graduates drops by about 1,000.
 - e. Models G and H update the formula with current tuition and fees (FY2013) and current Pell (\$5,550). Deadline dates are March 1 and July 15th for both scenarios with the July 15th deadline reserved for independents only. Model G has a \$3,400 EFC cutoff for the March 1st deadline and a \$2,400 EFC cutoff for the July 15th deadline. By reducing all awards by 10% as is done in Model H, the EFC cutoffs can be extended to \$4,100 for both deadlines. Both scenarios increase the number of MAP recipients but not sufficiently to overcome the reduction in expected graduation rates – the number of MAP recipients graduating is expected to fall in both scenarios.
 - f. The final two variations in this group (Models I and J) make use of the quintiles developed based on the California model with the suggested change from Robert Morris to incorporate Pell recipients as a parameter. Schools placed into quintiles by an index developed from the schools' cohort default rates (CDRs), graduation rates, and percentage of Pell recipients. Students attending schools in the lowest quintile received only 80% of their award eligibility (similar to the California model –except that we didn't deny freshmen an award.) Model I has suspense dates of March 15th for returning students and August 15th for *new students* with an EFC cutoff of \$5,500 for both groups. More than 15,000 more MAP awards are made and the estimated increase in the number of graduates for this scenario is over 1,000. Model J has suspense dates of March 14th for all students and July 15th for *independent students*. The EFC cutoff is \$3,400 for both groups. About 19,000 more MAP grants are awarded but there is essentially no change in the number of graduates.

2. Models K through M are scenario variations offered by Steven Rock from the initial scenario where state and federal grant aid cannot exceed \$5,550 (maximum Pell).
 - a. Model K is the scenario that was presented at the fourth task force meeting where Pell plus MAP cannot exceed \$5,550 for dependent students at community colleges. The \$5,550 is at least \$1,000 more than tuition and fees at any community college in Illinois. The MAP dollars saved would be used to extend processing until May 8th for independent students in the community college sector. About 1,800 more awards would be made (net – about 11,000 dependent students would lose awards and over 12,000 independent students would gain awards.) The number of graduates would decline by about 1,500.
 - b. Models L and M increase the limit from \$5,550 to \$6,100 and \$6,250 but extend the constraint to all students, both dependent and independent, at community colleges. This change allows the suspense dates to be pushed back to August 17 and July 15, respectively. Both scenarios increase substantially the number of MAP recipients – nearly 53,000 and about 39,000 more, respectively. This increase in awards is sufficient to overcome the decrease in expected graduation rates resulting in more expected graduates, with nearly 10,000 more graduates expected in the \$6,100 scenario.
3. Another proposal offered by the ICCB is to use a different maximum award in each sector. This maximum MAP grant was based on the average paid award in the base model: \$3,600 at public universities; \$4,000 at Private, Not-for-Profit Institutions; \$930 at Community Colleges; and \$2,900 at Proprietary Institutions. (Model N)
 - a. Applying the new lower maximums allowed for processing applicants with an EFC cutoff of \$9,000 (the current EFC Cutoff) through May 31 and independent applicants through August 15. Although it lowered the graduation rate from 39.7% in the base to 36.0% in the model, it increased the number of estimated graduates by about 20,000 over the baseline scenario. About 70,000 more awards would be made.
 - b. This simulation is a variant on cutting the size of the award to extend processing. The problem is determining how much money is enough to incent an applicant (especially a very poor applicant) to enroll. We did **not** run this scenario with our elasticity measure and therefore did not assume that the smaller awards resulted in fewer students enrolling. So, this scenario very likely overestimates claim rates, especially in the four-year school sectors. It appears MAP claim rates are continuing to decline in FY13. If we lower the awards enough, we can process all year and still lapse money, because it will not be enough to incent very many eligible applicants to enroll. There are states with lower maximum awards that appear to be sufficient for at least some students, but they are generally states with significantly lower tuition and fees than Illinois.
4. Remove MAP eligibility for all proprietary schools (Model O - proposed by UIUC.)
 - a. ISAC does not believe that it can legally block proprietary schools from participating in MAP through ISAC rule changes, if they meet the current eligibility requirements. The legislature explicitly added proprietary schools to the MAP program in 1996.
 - b. Instead, we ran an alternative scenario where students in two-year programs had MAP grants capped at the community college maximum while students in the four-year

programs were capped at maximum MAP. Of the nine proprietary schools that are MAP-eligible, only three offer only two-year degrees or less. Overall, about 40% of the credentials awarded from these institutions were certificates or associates degrees – the remaining 60% were bachelor’s degrees. Note – although it was not included in the model, this change would likely have to impact any school offering two-year degrees or less.

- c. ISAC computed a proportion of undergraduates in Bachelor’s Degree Programs in 2010 for each of the eligible proprietary institutions and then reduced MAP grants to students at each respective institution by this proportion. This “saved” about \$3.3 million that was used to process one more day resulting in about 1,200 more students receiving awards, about half at community colleges.
5. Hybrid Pell+MAP≤\$6,150; and EFC cap at \$7,000.
 - a. This simulation (Model P) combines the intent of scenario 1 to drive MAP dollars to the lowest income students with the intent of scenario 2 which was to have community colleges “self-fund” a deadline extension by restricting MAP to students getting Pell grants. About 93% of MAP recipients are Pell eligible (with EFCs roughly \$5,000 or less.) Reducing the EFC cap from \$9,000 to \$7,000 saves about \$10 million which is redirected toward students with lower EFCs in all sectors. The net impact is to increase the number of MAP awards by over 52,000 and increase the number of graduates by more than 9,000 despite a significant decrease in the average graduation rate.
 6. Flexible MAP (10% of dollars are allocated directly to the schools to award as they want, with some conditions.)
 - a. This scenario (Model Q) was introduced in task force meeting five. Opposition to it was vocal at the last meeting but some support has been indicated for this change. We present it again for one last look. It would give schools about 10% of their previous year’s claims as an “allocation” that could be used to provide awards based on school criteria – with state goals in mind. Schools could simply use first-come, first-served or they could award their returning students first, or their poorest students, or students in certain programs or who passed certain hurdles. The purpose is to try to incent completion in more nuanced ways than can be done at the state level with the minimum impact on access. Essentially, we would be initiating about 140 pilot programs and would require documentation with data and disclosure of how awards were made. If a school selected a student to receive an award, the grant could be no less than half the student’s total eligibility