

AGENDA ITEM 13.

FY2010 MONETARY AWARD PROGRAM (MAP) AND SILAS PURNELL ILLINOIS INCENTIVE FOR ACCESS (IIA) APPLICATION VOLUME UPDATE AND REQUEST FOR AUTHORITY TO SUSPEND

Submitted for: Action

Summary: As of March 20, 153,427 Illinois undergraduate residents had completed a FY2010 Free Application for Federal Student Aid (FAFSA) and chosen a MAP-eligible school to receive their data. This number of announced applicants is almost 22 percent higher than last year at this point in the FY2009 processing cycle. MAP-eligible application volume is also way up: 96,612 applicants are eligible at this point in time compared to 75,417 last year.

There are several reasons for this huge increase in eligible application volume. Part of the increase is due to changes in federal need analysis and the increase in the automatic zero-EFC income threshold from \$20,000 to \$30,000. These changes lowered EFCs and in many cases increased MAP eligibility. The second reason is the poor economy. As unemployment rises – it just hit 8.6 percent last month -- more workers seek additional job training and more high school graduates attempt college when work is not readily available. Eligible independent student application volume is up 34 percent. The number of eligible students applying to community colleges is 45 percent higher than last year. Also, ISAC has engaged in a project with Chicago Public Schools to encourage all graduating seniors to complete a FAFSA as early as possible; this probably has contributed somewhat to the increase in dependent applicants. Other students may be filing their FAFSAs earlier as well. However, in previous years, this increase in early volume starts to taper off almost immediately; to date we have seen no decrease.

Although a state budget has not been approved, the MAP appropriation may increase by about \$21 million. Even with this increase, staff believes that we cannot wait until the next Commission meeting to ask permission to suspend. If these increases hold, MAP award announcements may need to be suspended in early to mid-June and IIA even sooner.

The number of FY2010 applicants eligible for the Illinois Incentive for Access (IIA) Program is nearly 58 percent higher than last year. As of March 20 there were 22,237 freshman applicants with a zero-expected family contribution compared to 14,109 at this point in FY2009. If this trend continues and funding is level, as expected, IIA awards will need to be suspended in May.

Action requested: The Commission authorizes staff to suspend FY2010 award announcements for MAP and IIA when it becomes necessary to avoid the risk of overcommitting the appropriations.