

AGENDA ITEM 5.

FY2011 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 12th 168,421 Illinois undergraduate residents had completed a FY2011 Free Application for Federal Student Aid (FAFSA) and expressed interest in attending a MAP-eligible school; a 25 percent increase over last year. The number of applicants eligible for an award is up nearly 37 percent. There are 115,758 eligible applicants at this point in time compared to 84,764 last year.

While increased publicity for MAP has undoubtedly encouraged potential students to file their FAFSA earlier, a persistently lousy job market is the primary reason for the increased interest in financial aid. The unemployment rate in Illinois reached 10 percent in May 2009 and by January 2010 was over 11 percent. Formerly working adults are going back to school for additional job training and more high school graduates are trying college because work is not readily available. While there are 34 percent more eligible dependent applicants than last year, eligible independent application volume is up 40 percent. The number of eligible applicants planning to attend community colleges is 48 percent higher than last year.

Although a state budget is far from being approved, the governor's budget held ISAC program appropriations level. Staff feels it is necessary to obtain permission from the Commission as soon as possible to suspend award announcements when the expected appropriation is projected to be exhausted. If the current increase in applications continues, MAP award announcements may have to be suspended by early April even if MAP receives level funding.

The number of FY2011 applicants who would be eligible for the Illinois Incentive for Access (IIA) Program is 47 percent higher than last year. As of March 12 there were 28,980 freshman applicants with a zero-expected family contribution compared to 19,690 last year. The Governor's proposed FY2011 budget announced on March 10th does not include any funding for IIA and schools have been told not to include IIA in their financial aid packages. Therefore, applications received on or after March 12th are being put into suspense status. Applications received prior to that date will not be funded unless an adequate appropriation is received.

Action requested: The Commission authorizes staff to suspend FY2011 award announcements for IIA (retroactively) and MAP when it becomes necessary to avoid the risk of overcommitting the appropriations.