

**AGENDA ITEM 5.**

**FY2012 MONETARY AWARD PROGRAM UPDATE AND REQUEST FOR APPROVAL OF FIRST-TERM PRIORITY PAYMENT CLAIM DEADLINE DATE**

**Submitted for:** Action

**Summary:** As of August 18, 439,410 undergraduate Illinois residents had completed a 2011-2012 Free Application for Federal Student Aid (FAFSA) and expressed interest in attending a school that participates in the Monetary Award Program (MAP), for whom potential awards have been announced. About 70 percent, 308,831, of these announced applicants are eligible for a MAP award. There are approximately seven percent more announced and approximately eight percent more eligible applicants than last year at this time.

Table 1 compares FY2011 and FY2012 application volume by sector and dependency type, and shows the number of applications “suspended” – where no award announcement has been made due to expended funds. The community college sector is showing the largest growth in eligible students, 10.2%. Eligible independent students without dependents, who primarily attend community colleges, increased by 13.6%, the largest increase by dependency type. Award announcements for FY2012 were suspended on March 26 – the earliest date ever – and since then, 107,986 more MAP-eligible applicants have submitted FAFSAs. Of these, 72 percent listed a community college as their first-choice school and 67 percent are independent students. To date, about 35 percent of eligible applicants have been suspended.

Table 1: Monetary Award Program Application Volume as of August 18 – FY2012 Compared to FY2011

	FY2012	FY2011	# change	% change	suspended	% eligible suspended
<b>All announced applications</b>	439,410	411,966	27,444	6.7%	153,754	
<b>Eligible applications</b>	308,831	285,362	23,469	8.2%	107,986	35.0%
<b>Announced by sector:</b>						
public universities	119,869	114,460	5,409	4.7%		
private universities	90,250	83,983	6,267	7.5%		
community colleges	204,305	187,674	16,631	8.9%		
private two-year	1,486	3,717	-2,231	-60.0%		
HSN / professional	2,077	2,021	56	2.8%		
proprietary	21,423	20,111	1,312	6.5%		
	439,410	411,966	27,444	6.7%		
<b>Eligible by sector:</b>						
public universities	70,211	65,768	4,443	6.8%	14,314	20.4%
private universities	58,435	53,531	4,904	9.2%	9,383	16.1%
community colleges	159,786	145,052	14,734	10.2%	77,806	48.7%
private two-year	1,196	3,278	-2,082	-63.5%	290	24.2%
HSN / professional	1,510	1,459	51	3.5%	417	27.6%
proprietary	17,693	16,274	1,419	8.7%	5,776	32.6%
	308,831	285,362	23,469	8.2%	107,986	35.0%
<b>Announced by dep type:</b>						
dependent	246,081	228,900	17,181	7.5%		
independent without dependents	83,701	76,689	7,012	9.1%		
independent with dependents	109,628	106,377	3,251	3.1%		
	439,410	411,966	27,444	6.7%		
<b>Eligible by dep type:</b>						
dependent	139,420	128,431	10,989	8.6%	35,397	25.4%
independent without dependents	66,387	58,446	7,941	13.6%	26,970	40.6%
independent with dependents	103,024	98,485	4,539	4.6%	45,619	44.3%
	308,831	285,362	23,469	8.2%	107,986	35.0%

First-Term Priority Claim Deadline Date for MAP

Each year the Commission approves priority claim deadline dates for MAP. These dates are deadlines for schools to submit term payment requests for MAP in order to facilitate the receipt of timely enrollment and payment information and for the purposes of funds management and decision making.

The continued early surge in MAP application volume complicates the estimation of FY2012 MAP claims. In the past, students who completed their FAFSAs early were more likely to enroll and claim a higher portion of their award, while those who applied later tended to enroll part-time or to change their mind altogether. With the push to file FAFSAs earlier it appears that applicants who in the past would have applied later (or not at all) are applying early. As a result, previous years' claim rates are becoming less reliable for estimating current year claims.

Staff requested and the Commission approved a MAP recompute formula that remained the same as the start-up formula with the caveat that second- and third-term awards would be reduced if it appeared that claims would exceed the appropriation. We have no claim information to date, but we do know that FY2011 claim rates were down for all sectors and dependency types. If these rates hold for FY2012, the reduction to second and third term claims will be less than the maximum award anticipated.

To help with this analysis, staff proposes that the priority payment claim deadline date for the first term be December 9, similar to the December 10 deadline last year. Doing so would facilitate the estimation of total claims so staff can more accurately determine by how much second- and third-term claims should be reduced. This date was discussed with the Illinois Association of Student Financial Aid Administrators (ILASFAA) formula committee.

**Action requested:**

Staff requests that the Commission approve the FY2012 priority payment claim deadline date for MAP for first-term claims as shown below. The deadline date(s) for subsequent terms will be determined at a later time.

<u>Term</u>	<u>Deadline</u>
First term . . . . .	December 9, 2011