

The seal of the State of Illinois is a circular emblem. It features an eagle with wings spread, perched on a shield with stars and stripes. The eagle holds a banner in its beak that says "SOVEREIGNTY, NATIONAL UNION". Below the eagle is a sheaf of wheat and a rising sun over a field. The year "1868" is inscribed on a banner. The outer ring of the seal contains the text "SEAL OF THE STATE OF ILLINOIS" at the top and "AUG. 26TH 1818" at the bottom, separated by two stars.

Monetary Award Program

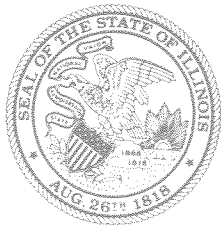
Task Force Report

Senate Joint Resolution 69

December 2012



Illinois Student Assistance Commission



Illinois Student Assistance Commission

December 31, 2012

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Report of the Monetary Award Program (MAP) Task Force

As Chairman of the MAP Task Force, and on behalf of its members, I am pleased to submit this report of findings and recommendations as directed in Senate Joint Resolution 69.

As you are aware, while MAP is one of the state's most successful and widely supported public policy initiatives, and while the state has attempted to prioritize MAP funding in difficult budget times, approximately 50 percent of eligible students have not received grants in recent years due to limited resources. MAP has been instrumental in the state's current level of workforce credential attainment of 43 percent - among the top 10 states for this measure - and is critical to increasing this percentage to meet the state goal that 60 percent of our workforce will achieve a postsecondary degree or certificate of value by 2025.

In 2002, the maximum MAP award covered the average cost of tuition and fees at an Illinois public university; today, in FY2013, it covers about 37 percent of the cost. In 2002, the maximum MAP award completely covered the cost of community college tuition and fees. Today, the maximum award paid in that sector covers above 51 percent of the cost.

As the task force discovered, there is no simple one-size-fits-all solution. However, the task force did align on 11 conclusions that can serve to inform future programmatic and legislative considerations.

The main conclusions include:

- MAP is a very successful program and is a good value for the state;
- The single biggest problem for MAP is insufficient funding;
- Facilitating access to college for low-income, often first generation students should be MAP's primary goal, as there are many other efforts that support completion goals for all students;
- MAP dollars should go to the students from the poorest families;
- The MAP application processing deadline needs to be extended for returning older, non-traditional students or first-time students unfamiliar with the application process;

- MAP recipients could benefit from additional nonfinancial support such as financial aid and academic counseling, both before starting and while attending a postsecondary school; and
- Future decisions about MAP would benefit from more research about the optimal level of student financial aid necessary to incent attendance and completion.

SJR 69 directed the Illinois Student Assistance Commission (ISAC) “to convene a task force to deliberate options for the adoption of new rules for MAP ... with the goal of improving the outcomes for students who receive these awards ...” SJR 69 further delineated three additional goals:

- Improvement in the partnerships between the states and institutions offering postsecondary education;
- Improving the overall effectiveness of MAP grants in helping students of need not only enter college, but complete a degree program; and
- Recognizing that all colleges and universities have different student populations and varying missions that are inherently good and valuable.

SJR 69 also directed the task force to consider three specific concepts:

- That institutional eligibility to participate in MAP be based, in part, on its ability to improve its MAP-grant students' progress toward a degree or its recipients' completion rate;
- That a student's eligibility for a grant be based, in part, on demonstrating academic success and progress; and
- That an institution's eligibility be based, in part, on its ability to demonstrate that it is providing financial aid to students from its own resources.

The 18-member panel conducted six public meetings and reviewed hundreds of pages of background information as well as submissions from institutions, sectors and other members of the public.

To assist the task force, ISAC staff developed over 100 data-driven scenarios that highlighted outcomes resulting from potential changes to eligibility requirements. Scenarios included many concepts previously offered by institutions, sectors, public officials and the public. While the task force did not find that any one scenario answered every issue, there were areas identified for future study.

Finally, I would like to thank the MAP task force members for their active and robust participation that enabled the delivery of a MAP task force report that was both valuable and completed on time. In a short period, they reviewed and processed a significant amount of data and other information about MAP and need-based aid as delivered in other states. As sector and subject matter experts, they shared views on the key issues vital to our deliberations, including the importance of serving independent students and improving diversity as we strive to reach state goals. Many of them also took time to put forward concepts for consideration by the group.

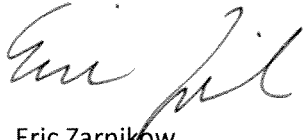
December 31, 2012

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More than anything else, this report represents the harvest of their time and expertise.

Thank you for your consideration. Please feel free to contact me if you have questions about this report or other ISAC activities (217/782-2020).

Sincerely,

A handwritten signature in cursive script, appearing to read "Eric Zarnikow".

Eric Zarnikow

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Executive Director, Illinois Student Assistance Commission

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Executive Summary

In May of 2012, Senate Joint Resolution (SJR) 69 was adopted by both houses of the Illinois General Assembly. It “[r]esolved ...that the Illinois Student Assistance Commission shall convene a task force to deliberate options for the adoption of new rules for the Monetary Award Program (MAP), with the goal of improving the outcomes for students who receive these awards...” (SJR 69) (Italics added.) The legislature asked the task force to see if it could find ways to make the MAP program even more effective in promoting college access and completion.

In recent years, increased demand for the program, coupled with rapidly increasing tuition and fees and flat program appropriations have stretched MAP’s ability to provide sufficient grant aid to all students who are eligible to receive it. In 2002, the maximum award covered the average cost of tuition and fees at an Illinois public university; today, in FY2013, it covers about 37% of the cost. In 2002, MAP completely covered the cost of community college tuition and fees. Today, the maximum award paid covers about 51% of the cost. A substantial part of the tuition increase for public colleges and universities has been driven by declining state appropriations to those sectors.

Ten years ago, MAP had sufficient funds to offer awards to all eligible students who applied. Today about half the applications received are “suspended” – the applicant fails to receive a grant due to lack of funding. This shortfall has led to a default rationing mechanism: Grants are awarded to eligible low-income applicants on a first-come, first-served basis. Students who file their Free Application for Federal Student Aid (FAFSA)’s early get awards; those who have chosen to or have to file later do not receive awards. This rationing mechanism, while relatively easy to understand and implement, has never been examined in detail for fairness or efficiency.

It should be noted, however, that no amount of rearranging of the existing MAP dollars is going to correct a fundamental problem of underfunding. While we may consider which students to fund, the reality is that no matter what the rationing mechanism ultimately used for MAP, many of the eligible students who apply for the grant will not receive one. The cost of higher education is a real barrier to access. In 1970, it would take a student about 5.5 forty-hour work weeks to pay for a year at a public college. Today, it takes 36 weeks to pay for that same year. It is no longer possible for a low income student to work his or her way through college without assistance and attend full-time.

This report discusses in some detail different allocation strategies that the task force suggested and evaluated. When looking at the array of options, one point should be kept in mind. Any allocation mechanism different from the one currently employed can produce different results. But there is *always* a cost involved. This task force was essentially asked to play a zero-sum game – rearranging a fixed number of dollars in hopes of achieving a more desired outcome. But those dollars have to come from someone who is already receiving an award and every current recipient of MAP is fully eligible for the program, considered needy by almost any standard, was motivated enough to apply early, and may not be able to attend any college without it.

In general, some basic questions need to be asked when looking at any MAP allocation rationing mechanisms:

- Are enough students receiving aid? Currently only half the MAP-eligible students receive an award. Can we do better than that?
- Are the right students receiving aid? There is tension here between serving the neediest students and serving those students with need most likely to complete. Academic preparation tends to correlate with income so lower-income students generally have more hurdles to completion. The resolution asks the task force to consider ways to distribute aid to enhance completion while maintaining access.
- Is the level of aid sufficient to change behavior? If awards are reduced too far, they will be insufficient to cover enough of the costs for lower-income students to mount the financial hurdle.
- Finally, are the alternative proposals good for students, good for taxpayers, and administratively feasible?

The task force was instructed by SJR 69 to deliberate options for ISAC to consider in adopting new rules for the Monetary Award Program (MAP), *“with the goal of improving the outcomes for students who receive these awards...”* Task force members agreed that improving outcomes for students included (1) higher graduation rates; (2) more graduates; (3) a smaller achievement gap; (4) shorter time-to-degree; (5) lower student debt levels; and (6) more “efficiency” in MAP.

The Process

The task force began by identifying the universe of changes to the way MAP is allocated that would be evaluated. Allocation mechanisms were suggested by the joint resolution itself, task force members, other Illinois higher education entities, the Illinois Community College Board (ICCB), the Illinois Board of Higher Education (IBHE) in its *MAP Efficiency Report*, the Lieutenant Governor’s report on higher education, national experts, and through an evaluation of how other states distribute financial aid.

The goals of the task force were defined and operationalized so that progress toward the goals could be measured. The goals were then matched with MAP allocation mechanisms that were determined to move the state closer to those goals. Staff modeled more than 100 of those mechanisms and their variations, allowing the task force the opportunity to evaluate the potential outcomes of the proposals.

The Results and Conclusions

Although there was little agreement on specific changes that could be made to MAP, the task force was in broad agreement reaffirming the value of MAP and the traditional emphasis on access for all students.

- MAP is a very successful program and is a good value for the state. MAP currently does a number of things well. It does provide sufficient resources to make a difference for about 140,000 students who receive it each year. It serves low-income dependent and independent students who attend both full- and part-time. It provides access and choice for many students. Students who receive MAP graduate at about the same rate as other students who attend the same schools.

- Despite the current shortfalls in the program, MAP contributes to Illinois still being in the top 10 states for workforce credential development. MAP works. The single biggest problem for MAP is insufficient funding to meet demand. The program has had severe shortfalls for a decade. I
- MAP is better as one big program. Small programs may be at enhanced risk of being defunded in tough economic times. The idea that all sectors participate in the same program with the same parameters was generally perceived as fair. Small programs can be difficult and costly to administer, and they can be harder to coordinate into a sensible set of options that is easy for students to understand.
- The task force believed that facilitating access should be MAP's primary goal. Many other programs are being implemented in Illinois to bolster completion rates for *all* students, such as performance funding, dual enrollment between community colleges and 4-year institutions, intensive advising, freshman support programs, and transfer articulation. If the completion equation is Access + Support = Completion, then MAP's role is providing the access component. Additional merit components on MAP were found to be detrimental to access, to penalize very low-income students from poor schools, and to be discriminatory. One small change to MAP was recommended: Students who flunk out of a school must wait a year before receiving MAP at another institution.
- There was a strong desire by nearly everyone to extend the processing deadline at least for non-traditional or first-time students. Most task force members thought that MAP would benefit from dual deadlines; again, the problem became how to fund it. This would likely be the first place any additional funding for MAP would go – to extend the processing deadline for independent or first-time students.
- MAP recipients could benefit from additional nonfinancial support. Most task force members thought that MAP recipients would benefit from counseling on both financial aid and academics before and during college. They also noted that more school-provided support for MAP recipients would demonstrate an institution's partnership with the state in promoting MAP recipients' access and success.

The beginning of this report has some questions that were asked before looking at any MAP allocation rationing mechanisms. By the end of the meetings, the task force had some answers.

- ***Are enough students receiving aid?*** Currently only half the MAP-eligible students receive an award. Can the program do better than that? The only ways it can serve *more* students without more funding are to shrink all award awards or to take aid away from students receiving larger awards and give those dollars to community college students. This will result in more students getting more awards but will not necessarily get the state the prize it desires – more graduates. Students who attend community colleges are about half as likely to graduate as those that attend four-year institutions, and until that problem is understood and corrected, increasing the number of community college MAP recipients at the expense of students attending four-year institutions will not necessarily lead to more college credentials.

- ***Are the right students receiving aid?*** There is tension here between serving the neediest students and serving those students with need who are most likely to complete. Academic preparation tends to correlate with income, so lower-income students generally have more hurdles to completion. The resolution asks the task force to consider ways to distribute aid to enhance completion and maintain access.

What the task force found is that the right students are receiving aid, but there are more “right” students than there is aid. Aid can be taken away from one student and given to another, but it is difficult to characterize one student as more deserving than another. Is one student more deserving because she is poorer than the next, even though both have considerable need? Is one student more deserving than another because she filed her FAFSA one day sooner? Is one student more deserving than another because she scored slightly higher on a standardized test that is a relatively poor measure of future performance?

- ***Is the level of aid sufficient to change behavior?*** If awards are reduced too far, they will be insufficient to cover enough of the costs for lower-income students to mount the considerable financial hurdle these students face. Currently, students attending four-year institutions in the lowest two income quintiles have remaining need in excess of what a subsidized Stafford loan will cover. ISAC has seen its MAP claim rates decline every year for the past five years. It is clear that we have reached or are near the tipping point where the MAP grant will be too small to incent college attendance.
- ***Finally, are the alternative proposals good for students, good for taxpayers, and administratively feasible?*** The changes that have been proposed are administratively feasible and should lead to better outcomes for students and taxpayers. The analysis performed by the task force indicates that MAP is a good value for the state and the minor adjustments proposed should enhance that value.

Introduction

In May of 2012, Senate Joint Resolution (SJR) 69 was adopted by both houses of the Illinois General Assembly. It “[r]esolved ...that the Illinois Student Assistance Commission shall convene a task force to deliberate options for the adoption of new rules for the Monetary Award Program (MAP), *with the goal of improving the outcomes for students who receive these awards...*” (SJR 69) (Italics added.)

This resolution is the culmination of many factors and forces at work reshaping the higher education landscape in Illinois, creating new challenges and opportunities. For many years, the Illinois higher education system was considered one of the best and its large, need-based grant program, the Monetary Award Program (MAP), successful. One 2008 study of state higher education financial aid programs found that: “traditional financial aid programs serve many states well, suggesting that not all states need to change just for the sake of changing. The programs in California, Washington, Minnesota, New York, Pennsylvania and Illinois have a long tradition of serving the students in those states exceptionally well.”¹

In recent years, increased demand for the program, coupled with rapidly increasing tuition and fees and flat program appropriations have stretched MAP’s ability to provide sufficient grant aid to all students who are eligible to receive it. In 2002, the maximum award covered the average cost of tuition and fees at an Illinois public university; today, in FY2013, it covers about 37 percent of the cost. In 2002, MAP completely covered the cost of community college tuition and fees. Today, the maximum award paid, which is based on community college costs in FY2004, covers about 51 percent of the cost. A substantial part of the tuition increase for public colleges and universities has been driven by declining state appropriations to those sectors.

Ten years ago, the program had sufficient funds to offer awards to all eligible students who applied. Today about half the applications received are “suspended” – the applicant fails to receive a grant due to lack of funding. This shortfall has left us with a default rationing mechanism: Grants are awarded to eligible low-income applicants on a first-come, first-served basis. Students who file their Free Application for Federal Student Aid (FAFSA)’s early get awards; those who have chosen to or have to file later do not receive awards. This rationing mechanism, while relatively easy to understand and implement, has never been examined in detail for fairness or efficiency.

It should be noted, however that no amount of rearranging of the existing MAP dollars is going to correct a fundamental problem of underfunding. While we may consider which students to fund, the reality is that no matter what the rationing mechanism ultimately used for MAP, many of the eligible students who apply for the grant will not receive one. Historically, our public university tuition and fees have been higher than the national average; but we had higher than average need-based grant which fully offset the tuition costs and made us one of the states where college was most affordable. Now, with tuition and fees continuing to rise, grant aid has stagnated resulting in too small awards for too few students. For college students

¹ Longanecker, David A. “Getting What You Pay For -The States and Student Financial Aid: A Mixed Bag with Mixed Results,” National Conference of State Legislatures & Western Interstate Commission for Higher Education, November 2008

today, the “high tuition/high aid” model is just “high tuition” – a real financial barrier to college access and completion. It is no longer possible for a poor student to work his or her way through college without assistance and attend full-time. In 1970, it would take a student about 5.5 forty-hour work weeks to pay for a year at a public college. Today, it takes 36 weeks to pay for that same year. The financial problems are becoming insurmountable for many.

Exacerbated by college affordability issues, college credential attainment inequities have increased. One study detailing the changes during the past decade to Illinois postsecondary education noted: “Illinois failed to make inroads into large and persistent higher education achievement gaps by race/ethnicity, socioeconomic status, and region. Blacks and Hispanics, and individuals with low incomes, are far less likely than other Illinoisans to enroll in college or, if they do enroll, to earn degrees. For example, as of 2009, only 36 percent of black students and 44 percent of Hispanic students attending four-year colleges and universities were graduating within six years, compared with 66 percent of white students and 69 percent of Asian American students.”²(IRHE, *Story of Decline...*)

These problems show up in Illinois' attainment rates. Until the late 1990's Illinois had been a leader in higher education affordability and participation and had one of the highest workforce college attainment rates in the country. Illinois was especially well-known as the leader in the percentage of working-age adults (ages 25 to 44) who were enrolled in college. While Illinois is still in the top 10 states for credential attainment (at number 10); it is now nearly 10 percentage points below the leader.



A program evaluation appears to be in order. As we look to the future, demographic and employment trends tell us that more low-income, first generation minority students than ever before will need to attend college to meet the

needs of our workforce and to have a chance at a decent job and an entrée into the middle class. In addition, the projected work force needs of the future also indicate a need for a workforce with more post-secondary education and skills. The state of Illinois, acknowledging that reality, has developed two goals for higher education: (1) to increase the number of credentialed workers in the workforce to 60 percent by 2025; and (2) to reduce the achievement gaps that lower-income and minority students experience to less than 10 percent.

The task force was established to see if MAP could be better distributed to forward the access and completion goals of the state. The task force was to have a minimum of eleven members as specified in the

² Perna, Laura, Joni Finney and Patrick Callen, “A Story of Decline: Performance and Policy in Illinois Higher Education,” Institute for Research on Higher Education, November 2011.

resolution and was to meet as needed to achieve the goals of the task force. All school sectors were to be represented and it was to contain the expertise and skill sets needed to fully evaluate the program. As ISAC established the MAP Task Force and selected the members, a conscious effort was made to ensure that the task force reflected the diversity of MAP recipients and therefore, the racial, ethnic, gender and geographic diversity of members were also important, as well as reflecting the differing needs of dependent and independent students. The meetings were held around the state and were all open to the public who were encouraged to participate either by addressing the group or by submitting input to an e-mail address established for that purpose. The selection process of the task force can be found in Appendix H. A report is due to the legislature by January 1, 2013 and implementation of any changes recommended would be made through changes to ISAC Administrative Rules and would occur during FY2015 – the 2014/2015 school year.

This report discusses in some detail all of the different allocation strategies that the task force suggested and evaluated. When looking at the array of options, one point should be kept in mind. Any allocation mechanism different from the one currently employed can produce different results. But there is *always* a cost involved. This task force was essentially asked to play a zero-sum game – rearranging a fixed number of dollars in hopes of achieving a more desired outcome. But those dollars have to come from someone who is already receiving an award and every current recipient of MAP is fully eligible for the program, considered needy by almost any standard, was motivated enough to apply early, and may not be able to attend any college without it.

Brief History of Higher Education Financial Aid

A well-known higher education consultant, David Longanecker, writes in *Getting What You Pay For - The States and Student Financial Aid: A Mixed Bag with Mixed Results*: “In the 1960’s, a number of states began to recognize that simply keeping tuition low was not a viable finance strategy for an egalitarian model of higher education. Too many students, particularly those from low- and moderate-income families, simply couldn’t accumulate sufficient funds for tuition and related educational costs to send their children to college without exceptional sacrifice. This brought about the evolution of state-based grant programs, beginning with traditional need-based grants, which were followed by the advent of merit-based aid, and, eventually, the creation of blended aid programs, which consider both need and merit.”³

The states that developed need-based financial aid programs often modeled them after the federal Pell grant program. According to Longanecker, another federal program recently eliminated, the Leveraging Educational Assistance Partnership (LEAP), provided matching funds for need-based programs and stimulated some small state growth in these programs as well. Two different patterns of coping with college costs emerged: a “high tuition/high aid” model adopted by states in the northeast and Midwest [including Illinois] and a low tuition/low aid model found primarily in the south and west.

Over time, almost all states saw significant tuition increases and the states without need-based grant programs saw college affordability decline. Today, the top 10 states with the highest credential attainment by their workforces all have large need-based grant programs. However, instead of instituting need-based programs, many other states, particularly in the south, turned to merit-only programs such as the Georgia Hope Scholarship. As a strategy to develop a more credentialed workforce, these programs were expensive and largely unsuccessful as they targeted students who were likely to complete college anyway. States with large merit-only programs have an average college attainment rate that is 15 percentage points (33 percent vs 48 percent) lower than the average of states with large need-based programs such as Illinois.

A third strategy of dealing with college affordability also started about this time – the need-based grant with a merit component. Some of these programs provided intensive interaction with prospective students starting young; others were a means of rationing need-based programs or limiting the cost of merit programs. Many of these programs are still in the pilot state and most of the fully implemented programs are not designed to be administered at the size or scope of a program such as MAP.

Illinois went the “high tuition/high aid” route and was very successful with it for many years. Illinois expanded the model – it was one of the first to make aid available to part-time students and non-traditional students. The program fostered both access to higher education and choice among public, private, and proprietary institution options and created one of the most educated workforces in the country.

³ David Longanecker, “Getting What You Pay For - The States and Student Financial Aid: A Mixed Bag with Mixed Results”, National Conference of State Legislatures & Western Interstate Commission for Higher Education, November 2008.

Brief History of MAP

MAP evolved into its present form beginning in 1967, and was designed to help low- and middle-income Illinois residents attend the public or private nonprofit colleges of their choice. MAP grants help offset the cost of tuition and fees at Illinois public and private nonprofit colleges and universities and selected proprietary colleges and universities. Eligibility is based on both the cost of attendance and the family income of the potential recipient.

The program has evolved over the years in response to changes in the postsecondary education environment. What began as a \$600,000 grant program for juniors and seniors in the late 1950's became the second largest need-based grant program in the country in the mid-1990's. Today, MAP is the fourth largest need-based program in the country, and, with a budget of about \$371 million, will provide aid to an estimated 140,000 students in FY2013.

MAP Formula

- **Costs – Resources = Max Eligibility**
 - Costs = T & mandatory F + living allowance
 - Resources = Adj EFC + 80% Pell
- Award determined by lowest of max eligibility, T&F, or max award
- EFC cap
- Self-help
- Reduction factor

The definition of who is eligible for MAP has expanded over time. In 1974 and again in 2003 it was expanded to include part-time attendees, helping Illinois' returning adults improve their lives with a college education. In the early 1980's MAP began to piggyback with the federal Pell application, using the federal expected family contribution (EFC) calculation to simplify the application process. Students at a small group of qualifying proprietary colleges and universities became eligible for MAP in 1998. Students at only 9 of over 100 proprietary institutions in Illinois can qualify for MAP. The criteria for admitting a proprietary college into MAP is stringent: the school must have its main campus in Illinois, must be regionally accredited, and the majority of its students must be in programs leading to associate's degrees or higher.

MAP uses the federal eligibility criteria for the Pell grants as the basis for determining eligibility for the MAP grant. At least one task force member is concerned that this relationship may not be a good one in the future. In recent years, the Pell grant has changed drastically as the federal government sought new ways to reduce the Federal budget deficit. The program lowered the automatic zero threshold by \$9,000 for students considered to have no family contribution, cut the number of semesters that students are eligible for the program by three years, from nine years to six years, and eliminated students who did not have a high school diploma or GED, but who had proven their ability to benefit from higher education. A budget passed by the House of Representatives this year would have repealed mandatory spending from Pell—about half of Pell's overall funding at \$101 billion—and would have had a significant impact on the size of the maximum award and/or on the number of students receiving it. While that measure did not pass the full Congress and the maximum award continues to be \$5,550, given the current federal climate, relying on the Pell grant program to determine a student's MAP award eligibility could be unsustainable in the future.

MAP is currently awarded using a fairly simple formula that is basically college costs minus resources equals need. MAP is designed to meet calculated need of low- and lower-middle-income families. All students are expected to make a minimum “self-help” contribution of \$1,800. No student from a family with an EFC of \$9,000 or greater is considered for an award. Students can receive up to 135 MAP-paid credit hours (4.5 years). Seventy-five MAP-paid credit hours can be used at a community college. If the MAP appropriation is not sufficient to meet the needs of all eligible applicants, applicants are awarded grants based on the date they filed their FAFSA applications – a first-come, first-served rationing mechanism that disproportionately favors traditional students who historically file their applications earlier than older, non-traditional students who often make up their minds about attending college late in the award cycle.

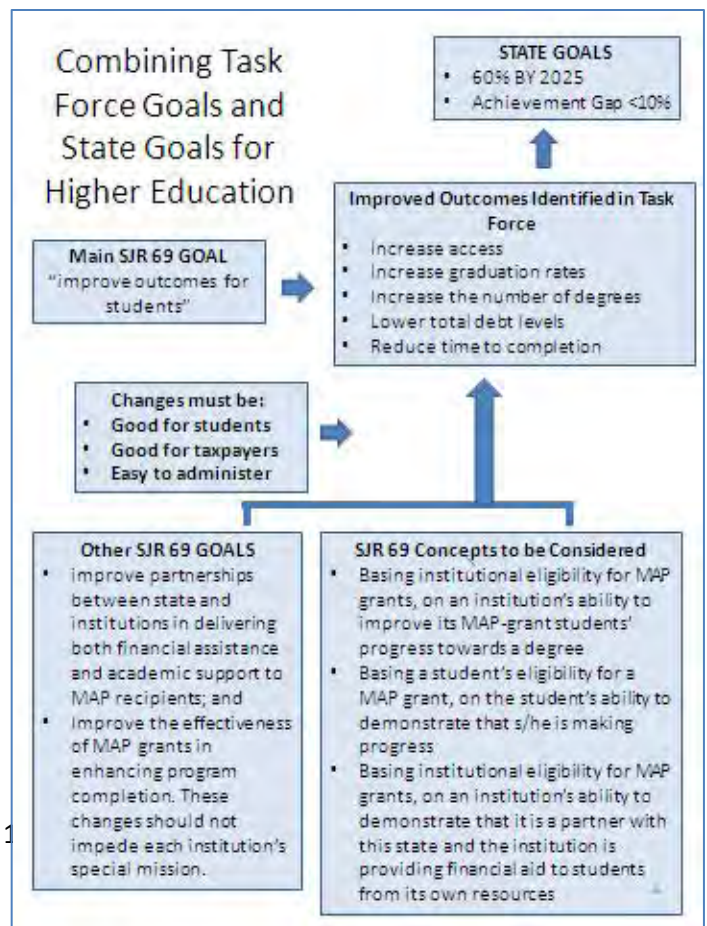
MAP Awards & Dollars by Sector

	Share of MAP Dollars to Students at:			
	Public 4	Community Colleges	Private NFP	Proprietary
FY1980	23%	8%	69%	0%
FY1990	32%	11%	58%	0%
FY2000	37%	11%	46%	5%
FY2012	40%	14%	40%	6%

	Share of MAP Awards to Students at:			
	Public 4	Community Colleges	Private NFP	Proprietary
FY1980	33%	26%	41%	0%
FY1990	33%	33%	33%	0%
FY2000	32%	33%	30%	5%
FY2012	30%	38%	27%	5%

The statutory maximum MAP grant is \$4,968 and has been the maximum since FY2002. The community college maximum is based on tuition and fees and averages \$1,900. Both awards have been reduced by 5 percent for several years, making the effective maximum award \$4,720 and \$1,805, respectively. Both figures fall far short of the amount needed to cover tuition and fees at public institutions.

The chart above shows the changing distribution of MAP recipients and dollars. In 1980, over two-thirds of the MAP dollars and over 40 percent of the recipients were at private institutions. Currently the public universities and the private nonprofit institutions each receive 40 percent of the dollars and have 30 percent and 27 percent of the students, respectively. Students at a small group of proprietary colleges and universities became MAP-eligible in the mid-1990’s. Those students receive about 5 percent of the MAP dollars.



Purpose and Goals of the Task Force

While the primary goal of SJR 69 is that “ISAC shall convene a task force to deliberate options for the adoption of new rules for MAP, ... with the goal of improving the outcomes for students who receive these awards...”; other goals were also deemed important:

- Improve partnerships between state and institutions as they provide both financial assistance and academic support to MAP recipients;
- Improve the overall effectiveness of MAP grants in helping students of need not only enter college, but to complete a desired program;
- Recognize that all colleges and universities are different and the different natures of their student populations and their varying missions must be recognized as inherently good and valuable and the new rules should not alter, nor have an adverse impact on, an institution’s mission.

Some specific concepts were also listed in the joint resolution for review:

- Basing institutional eligibility for MAP grants, in part, on an institution’s ability to improve its MAP-grant students’ progress toward a degree or its MAP-grant degree completion rate;
- Basing a student’s eligibility for a MAP grant, in part, on the student’s ability to demonstrate that he or she is achieving academic success and making progress;
- Basing institutional eligibility for MAP grants, in part, on an institution’s ability to demonstrate that it is a partner with this state and the institution is providing financial aid to students from its own resources.

Characteristics of MAP Recipients

- 21% of Illinois undergraduates receive MAP
- 65% of MAP recipients are female
- 47% are white; 27% are black; 13% Hispanic; 6% Asian; 7% other or mixed race/ethnicity
- About 58% are traditional, dependent students; 42% are nontraditional independent students
- 58% of MAP recipients have no resources to pay for college (zero EFC); about 92% are Pell-eligible
- Average family income is \$31,000 for dependent MAP recipients and \$19,000 for independent MAP recipients
- 38% of MAP recipients attend a community college

The legislation asked the Task Force to see if it could find ways to make the MAP program more efficient and effective. It is noted that even if the program remains the same, it will entail changes in the future, and in ways the state may not anticipate. For example, the first-come, first-served allocation mechanism is now a major constraint that hinders independent and first-time students’ access to college. Another example is that leaving “old” costs (that is, outdated tuition and fees) in the MAP formula drives the MAP dollars down to the students from the lowest income families and increases the focus of the program on access, rather than access and choice.

Important Features of the Illinois Higher Education System

- The task force began by identifying what was important to know about the Illinois higher education system as it pertains to student financial need-based aid.
- MAP is successful. Educating through a variety of education institutions and providing generous need-based aid created a state with a relatively educated workforce and a pathway to college for most-lower-income students who chose to attend. About one in five Illinois undergraduates receive MAP and nearly all of them are low-income, Pell-eligible students who would have difficulty attending college without financial aid.
- As already mentioned, Illinois does have a relatively high percentage of its workforce with bachelor's degrees and other credentials – comparatively high college attainment rates. It achieved that success in the past through average college completion rates coupled with above average access. MAP played a large role in this success by paying for tuition and fees for many students from lower-income families. The task force noted that college graduation rates alone do not determine workforce attainment rates. If only a small percentage of high school graduates move on to college, even very high graduation rates will not produce the workforce credential attainment rates desired. The group found access to higher education is as important as completion.
- Illinois has a tradition of need-based aid that works using a high tuition/high aid model. Despite higher than average tuition and fees (especially at public universities), Illinois was still a leader in college affordability because of the generous grant aid to lower-income students and the widespread option of attending a less expensive community college. However, very tight state budgets during the past decade have changed this. Schools, responding in part to lower state appropriations, more than doubled their tuition and fees during the decade. At the same time, the economy kept family incomes constrained (average incomes actually decreased) and there was no money in the state budget for substantial increases in MAP. In FY2002, the General Assembly appropriated \$367.5 million for MAP; in FY2012, it appropriated \$371 million. At the same time, average tuition and fees at public universities increased from \$4,786 to \$12,732.
- Illinois is well-known for financially assisting non-traditional students, even those who attend part-time. However, the increasingly early MAP application deadlines are leaving the program unable to serve many of them now. Students attending downstate institutions, where students traditionally file later, are also disproportionately affected by the early suspense dates.
- Illinois educates students differently than most other states. We have one of the lowest percentages of students in public universities (23 percent) in the country - only three states have fewer students in public universities. Illinois has about twice the percentage of students as the national average attending private institutions. When one considers both public and private higher

education enrollments in Illinois, about 42 percent attend community colleges, one of the highest percentages in the country. Illinois has enrolled about 160,000 more students in higher education over the past 25 years; about half of them attend proprietary institutions and about a third attend community colleges. Only 5,000 enrolled in public universities. Overall, students are less prepared for college than they were decades ago and more of them are seeking alternatives to a four-year bachelor’s degree. Community colleges and proprietary colleges and universities are meeting that need.

IBHE FALL ENROLLMENTS				change over	
	1986	2000	2010	25 Years	% of new students
Public Universities	148,030	145,614	152,795	4,765	3%
Community Colleges	334,884	340,101	379,736	44,852	28%
Independent NFP Institutions	103,209	119,260	138,243	35,034	22%
Independent FP Institutions	12,530	18,962	79,317	66,787	41%
Out-of-State Institutions (IL campus)	-	868	10,957	10,957	7%
All Institutions	598,653	626,805	761,048	162,395	100%

- Postsecondary education is not just education culminating in bachelor’s degrees. Many jobs now require some postsecondary education that leads to a certificate or associate’s degree where formerly a high school diploma or on-the-job training would do.
- Many positions that used to require limited job skills now require familiarity with technologies that necessitate additional postsecondary training. This has increased the enrollment of students whose families lack experience with higher education – often called first-generation students. Failure to address the special needs of this group of students creates an “achievement gap” in the workforce, with minority workers and workers from lower-income backgrounds disadvantaged due to a lack of or poor quality postsecondary credentials.
- The need for “remedial” education has increased dramatically. Overall, students need more remedial coursework than they did decades ago, and more of these underprepared students are seeking alternatives to a four-year bachelor’s degree. Community colleges and proprietary colleges are meeting that need.

Important Issues and Concerns about MAP

The task force then identified the important issues and concerns about the Illinois higher education system as they pertain to student aid based on financial need, particularly MAP.

- MAP has always made awards based on a first-come, first-served basis, which for most of its history had only a negligible impact on who received grants. For over 40 years the program provided grants to most students who applied and were eligible for a grant. It is only since FY2003 that the program has been regularly suspending of students who attend schools in all sectors. This raises questions about whether first-come, first-served rationing it is outdated or aligned with changing student demographics.
- The growing demand for aid, coupled with essentially flat appropriations for MAP, has created a problem for all colleges and their students. For community colleges, the big issue is the number of their students receiving no awards at all because they applied after the suspense date. For four-year institutions the issue is the small percentage (less than half, now, at public universities and only about 20 percent at private schools) of tuition and fees covered by MAP. Since tuition and fees increase, on average, by at least 5 percent every year, while the MAP grant has stayed the same (or decreased) during the past decade, the program is rapidly losing ground. The awards must be large enough to provide sufficient aid to help a student to stay in school, but there is also the need to increase the number of students served.
- The discussion about the appropriate award size highlights another important question: When is the MAP grant too small to really make a difference? We run the risk of spreading the dollars over so many students that the grant becomes insufficient to change behavior. A grant that is too small is a very inefficient tool.
- MAP has two coverage issues. Both the award coverage (the percentage of costs paid by the grant) and the percentage of students applying who receive grants are issues that need to be addressed. In addressing the latter concern, it is important to identify the potential pool of MAP recipients correctly. MAP eligibility is confined to undergraduates, eliminating all graduate students, as well as students enrolled only in “pre-collegiate” or “continuing education” programs. (About 27 percent of the students served by community colleges are in such programs and therefore would not be eligible for MAP.)
- Overall, Illinois community colleges serve approximately 42 percent of the Illinois undergraduate student population, about 277,350 students. MAP grants distributed to community college students are smaller than in other sectors both because of the lower costs in that sector and because many community college students attend college less than full-time (12 semester credit hours or more). MAP dollars are allocated by credit hour; students attempting fewer hours receive less MAP.

- More students are being suspended each year and community college students make up the largest group of suspended students – currently about two-thirds. Many of these suspended students will be independent students who apply later in the year and a disproportionate number will be from downstate. But significant numbers of suspended students can be found in every sector. They are clustered in the urban public universities and the private institutions, both NFP and proprietary that cater to independent students.
- In FY2012, 105,201 of 152,785 suspended eligible MAP applicants listed a community college as their first choice school. Despite the early cutoff date and the large number of suspended students, the number of community college students receiving MAP has been maintained, in part, because of efforts to get high school students to file FAFSAs early. The program suspended award announcements very early this year - in March. At that time, 73,545 eligible students who wished to attend a community college had applied for MAP, compared to 53,208 who had applied by the same time last year. That 73,545 is higher than the number eligible at public universities (54,479) and private institutions (60,474, including proprietary institutions.) While 73,545 community college students are eligible for MAP, it is likely that only about 54,000 will actually claim awards – community college students have lower claim rates than students attending schools in other sectors. This 54,000 is consistent with FY2010 (52,690 grants) and FY2011 (53,411 grants) but down somewhat from FY2005, when about 56,000 community college students were given grants. Public universities and private NFP have seen similar patterns with claims declining from 44,000 to 42,000 for public universities and from 41,000 to 38,000 for private NFP colleges and universities. Only proprietary colleges and universities have seen an increase during this period, from about 6,400 to about 8,400 awards.
- Since MAP eligibility depends on both a student’s financial condition and the cost of attendance, dependent students who receive MAP at community colleges are usually from families with incomes in the first income quintile (maximum income of about \$27,000) or lower part of the second income quintile (about \$37,000). Independent students’ incomes are even lower. These students are federal Pell-eligible. Pell grants have increased substantially during the past five years from about \$4,050 to \$5,550. Students who receive full Pell awards can fully cover tuition and fees at community colleges without MAP; however, these students generally are non-traditional students with other barriers to education such as transportation, child care and economic issues that the additional Pell funding will help address. When considering reallocation mechanisms for MAP, it is important to not separate MAP grants from other grant aid provided to Illinois students. Community college students who receive Pell and MAP have a much higher percentage of their total cost of attendance covered than students at other schools and usually have their tuition and fees fully covered. Any Pell in excess of tuition and fees is refunded to the student each semester; this is the only higher education sector where this is possible and prevalent. Some task force members did not care for the idea of students receiving checks that could be cashed and spent on anything. Community college advocates reminded task force members that many community college students rely on these funds for basic necessities and education-related expenses.

However, it was also noted by task force members that students in all sectors need funds for similar needs.

- In FY2010, of the approximately \$1.04 billion in Federal grant aid received by students attending Illinois schools, about 40 percent of it, \$419 million, went to students attending community colleges. Illinois community colleges receive more of these federal dollars than any other sector. Combined state and federal aid to community college students totaled \$473 million, or about 33 percent of the total federal and state grant aid available. Community colleges serve about 42 percent of undergraduates. Thus, 42 percent of Illinois undergraduates are attending our lowest-cost schools, often part-time, and receive about 33 percent of the state and federal grant aid available.
- Postsecondary education costs are putting college beyond the reach of many families today. Need-based aid is no longer sufficient to cover enough of the students' costs resulting in higher drop-out rates and high levels of loan debt. An increasing number of Illinois residents are facing higher debt without credentials to improve their employment opportunities. Illinois average cumulative student loan debt is approaching the \$25,000 mark. Financial difficulties have increased the drop-out rates. MAP claim rates, the percentage of eligible students offered an award who claim it, especially for the lowest EFC students, have declined by five percentage points over the decade.
- To a large extent, the state's policy focus has shifted from access and choice to completion. Efficiency for MAP is now sometimes defined as the number of degrees produced for the dollars spent. However, for the program to be considered truly effective, those MAP dollars need to be changing behavior. If the funds go to students who would have completed anyway, while those students may benefit from reduced debt levels, from the state's perspective, the MAP expenditures are inefficient. Also, increasing MAP completion rates in this fashion, by funding only students who are already "likely to complete," will not increase workforce attainment rates (the percentage of the total Illinois workforce that holds a postsecondary credential).
- Graduation rates for MAP recipients are the same as those for other students, when school choice is controlled. About 35 percent of first-time, full-time MAP recipients attending community colleges finish within four years, which is actually higher than the 30 percent reported overall. About 58 percent of first-time, full-time MAP recipients at public universities complete their degrees in six years, compared to 60 percent for everyone. MAP can be used to incent completion, but the completion issue is much larger than MAP recipients alone.
- All the challenges already noted will increase in the future as the college population becomes increasingly first generation, minority and lower-income.

In general, some basic questions need to be asked when looking at any MAP allocation rationing mechanisms:

- Are enough students receiving aid? Currently only half the MAP-eligible students receive an award. Can we do better than that?
- Are the right students receiving aid? There is tension here between serving the neediest students and serving those students most likely to complete. Academic preparation tends to correlate with income so lower-income students generally have more hurdles to completion. The resolution asks the task force to consider ways to distribute aid to enhance completion and maintain access.
- Is the level of aid sufficient to change behavior? If awards are reduced too far, they will be insufficient to cover enough of the costs for lower-income students to mount the financial hurdle. Currently, students attending four-year institutions in the lowest two income quintiles have remaining need (defined as uncovered costs after the family's EFC and all state and federal grant aid is accounted for) in excess of what a subsidized Stafford loan will cover.
- And, finally, every change made to MAP has to be good for students, good for taxpayers, and administratively feasible.

The MAP Task Force Process

The existence of this task force is based on the premise that it may be possible to achieve improved outcomes that move us toward our higher education goals by addressing some problems that have surfaced with the present system of allocating MAP grants. MAP currently is allocated on the basis of need determined by subtracting student resources from the college cost of attendance. Awards are distributed on a first-come, first-served basis. This method worked well for decades, but in recent years, increasing demand for the program, coupled with increases in tuition and fees that outstripped the increase in appropriations for the program, have resulted in awards that are often too small going to less than half the students who need them. At the same time, the focus of the program has expanded from simply providing access to higher education for lower-income students to getting students through their programs and becoming part of the credentialed workforce Illinois needs for the future.

The task force was instructed by SJR 69 to deliberate options for ISAC to consider in adopting new rules for the Monetary Award Program (MAP), “with the goal of improving the outcomes for students who receive these awards...” Task force members agreed that improving outcomes for students included increasing graduation rates, increasing the number of graduates, reducing time-to-degree and reducing student debt levels. These outcomes would contribute to Illinois meeting two very specific goals set out for higher education: (1) to increase the percentage of the Illinois workforce with a meaningful postsecondary credential to 60 percent by 2025 and (2) to decrease the achievement gap between poor or minority students and their relatively higher income counterparts to 10 percent or less. Evidence was also presented that these goals could not be met without ensuring access to college for independent students and for populations that are typically underrepresented in higher education.

Identifying the Universe of Potential Changes

The task force began by identifying the universe of changes to the way MAP is allocated that would be evaluated. Allocation mechanisms were suggested by the joint resolution itself, task force members, other Illinois higher education entities, the Illinois Community College Board (ICCB), the Illinois Board of Higher Education (IBHE) in its *MAP Efficiency Report*, the Lieutenant Governor’s report on higher education, national experts and through an evaluation of how other states distribute financial aid.

What Other States Are Doing

It is difficult to summarize what other states do because nearly every state has a unique approach to providing aid to its students. But a few generalizations can be made:

- Nearly every state has at least one need-based grant program without a merit component. For some states, it is their largest program; for others, it is secondary to a merit program, either with or without need-based restrictions. According to the National Association of State Student Grant Aid Program’s (NASSGAP) 42nd *Annual Survey Report on State-Sponsored Student Financial Aid*, of the over \$10 billion spent by states on undergraduate student aid programs, 44 percent went to aid based on need only; 18 percent to programs based on both need and merit; 20 percent to

programs based only on merit and about 17 percent went to special purpose awards or were uncategorized.⁴

- Only eight states used a merit screen for their primary need-based program and of those, only California, with its CALGRANT A, B and C (“A” is merit-based), is on the scale of MAP. Most merit components are found on need-based programs funded at less than \$10 million. A few states, such as Georgia, with its HOPE scholarship, run very large non-need-based merit programs and several states run merit programs in addition to a large need-based program.
- Programs based on need allocate funds primarily by two methodologies: (1) a determination of eligibility coupled with a first-come, first-served allocation mechanism, the strategy used to allocate MAP; or (2) an establishment of a cutoff date and awards allocated by either an estimate of need (cost-resources) or income (EFC, parents’ contribution (PC) or something similar). Either awards stop when funds run out or everyone who applies by the deadline receives a prorated award.
- Programs that have a merit component add an additional step to eligibility. Merit components consist of grade-point average (GPA) or test score requirements or the completion of a special program such as a college preparation curriculum, Advanced Placement (AP) or dual credit courses, or participation in state or federal programs such as TRIO. These programs tend to be small and there is not much evidence to date that they improve graduation rates when compared to a traditional need-based grant program.
- Giving aid to students attending private institutions through the main need-based state grant program is common. Only five states exclude students at private institutions from participating in its major need-based grant program and all of these states have small programs and relatively few students in private institutions. Most of the states with larger need-based grant programs (IL, PA, NY, MI, IN, NC) give at least 38 percent of the grant dollars to students attending private institutions. The simple state average is 30 percent. Over half of the states (27) provide aid to students attending proprietary colleges and universities including 8 of the states with top attainment rates. Some states specify eligibility by program.

State Grant Dollars Going to Private Postsecondary Institutions	
Illinois	40 percent
11 states	38 percent or more
11 states	20%-32%
14 states	10%-19%
10 states	1%-9%
5 states	0 percent or n/a
Nat'l Average	30 percent

States usually employ one of two basic allocation mechanisms: first-come, first-served (the Illinois model) or the use of cutoff dates in combination with some other rationing device such as class level, degree type, dependency type, sector, or attendance level. In Illinois, we trade off certainty of award size and eligibility for an uncertain deadline date. This has caused problems when the program shuts down unexpectedly

⁴ NASSGAP, 42nd Annual Survey Report on State Sponsored Student Financial Aid, 2010-2011 Academic Year, Table 8.

early, but at least those who make it under the deadline know they are eligible and have a realistic sense of what size grant they are likely to receive. Some states set a cutoff date and then prorate awards to all eligible students; others start awarding to the neediest students, then offer awards to increasingly less-needy applicants until the funds run out. All methods have a measure of uncertainty for students as states struggle to stay within the appropriations for their programs in the face of dramatically increasing demand for them.

A few states have a merit component such as ACT scores, GPA, class rank, or some combination of test scores and GPA. Some merit programs run separately from the need-based program; others add additional eligibility criteria for the need-based program. A merit program of a different nature has been started by California where schools are eliminated from the California programs based on three-year cohort default rates (CDRs) and school graduation rates.

Some task force members were interested in more “forward looking” types of merit distinctions that occur as students move through their programs. These merit or pace components include not paying for remedial courses, increasing satisfactory academic progress (SAP) requirements beyond those already mandated at the federal level, not paying for dropped or failed classes, and MAP one-year “time-outs” for students failing at one institution who want to attend another. Grant-to-loan conversions for students who leave the state or do not graduate were also mentioned as rationing devices.

Changes Suggested by the Resolution

The resolution itself requested an examination of ways to (1) improve partnerships between the state and institutions as they provide financial assistance and academic support; (2) improve the overall effectiveness of MAP grants by helping students to complete their programs; (3) base institutional eligibility for MAP grants on improved progress toward a degree for its MAP recipients; (4) base a student’s eligibility for MAP on progress toward academic goals; and (5) base institutional eligibility for MAP in part on institutional financial aid to MAP recipients.

Possible Changes described in IBHE’s MAP Efficiency Report

The task force also included ideas from the IBHE’s MAP Efficiency Report that could be accomplished through ISAC rules changes. They included (1) changing aspects of the MAP formula; (2) allocating MAP funding among public universities, community colleges, and private colleges and universities more proportionately to their numbers of eligible students; (3) adding merit-based components to MAP; (4) limiting MAP to certain education sectors; (5) using student success as a measure of institutional eligibility; and (6) developing a shared-responsibility model similar to Oregon’s financial aid program.

Creating Scenarios to Operationalize Task Force Goals

The goals of the task force were defined and operationalized so progress toward the goals could be measured. The goals were then matched with MAP allocation mechanisms that were determined to move the state closer to the goals. These scenarios are therefore grouped by the goals: (1) improve graduation

rates; (2) increase the number of graduates; (3) close the achievement gap; (4) shorten time-to-degree; (5) reduce student debt levels; and (6) improve the “efficiency” of MAP. The list of options is shown below.

Improve MAP recipient graduation rates. For any particular cohort of first-time freshmen, graduation rates can be calculated as the number of students with a credential after a specified period of time divided by the number of students in the cohort. Improving graduation rates for MAP recipients can lead to an increase in the percentage of the Illinois workforce with a postsecondary credential. MAP recipients graduate at the same rate as other students when we control for school type. Overall, the six-year graduation rate for first-time, full-time freshmen at bachelor’s degree-granting institutions hovers around 60 percent. Graduation rates at community colleges are about half that rate. Part-time students graduate at lower rates. MAP allocation mechanisms that are considered to encourage higher graduation rates include:

- ***High school to college merit components.*** These hurdles put the responsibility for performance on the student. States that have programs with merit components usually implement them during the transition from high school to college. One of three merit components is generally used: high school grade-point average, high school class rank, test scores (ACT or SAT) or some combination of school rank/GPA and a test score. Occasionally, there is consideration for Advanced Placement (AP) courses or community college dual credit courses.
- ***Merit components that encourage college continuation.*** Merit components that are applied after a student has enrolled in college are usually based on cumulative college GPA and/or some measure of a student’s “pace” such as hours earned/hours attempted.
- ***Reward higher performing schools.*** This type of incentive shifts the focus of responsibility for completion from the student to the school and is a relatively recent innovation. Variables that are used to measure performance include graduation rates and three-year cumulative Stafford student loan default rates (CDRs). Since using these measures alone does not account for differences in school missions or the preparation of their students, another measure such as percentage of students eligible for Federal Pell grants was suggested as a modifier. A disadvantage with this type of incentive system is that it is very arbitrary and schools can move above and below the cut-off points from year to year, making funding uncertain for their students.

Increase the number of MAP recipients who graduate. This measure is distinct from increases in the graduation rate. Increasing the number of graduates can be achieved by increasing graduation rates or by increasing the number of students who attend college – increasing access. The two approaches below focus on increasing access, which, if accomplished in large enough numbers, can overcome an actual decline in the estimated graduation rate and still deliver an increase the percentage of the Illinois workforce with a postsecondary credential.

- ***Extend processing for later filers by extending the application deadline for certain students.*** MAP uses a first-come, first-served allocation mechanism by default. For most of the forty-plus years of MAP, all students who applied and were eligible received a grant. It has only

been during the last decade that first-come, first-served has had a significant impact on who receives aid. This has disproportionately affected independent students and community college students in general who often apply later in the process than more traditional students attending four-year schools. Extending processing for these groups is a less expensive proposition than extending processing for everyone. To actually increase the number of graduates, however, requires many additional MAP recipients because these new recipients have lower graduation rates than more traditional students who file earlier.

- ***Award MAP on the basis of expected family contribution (EFC) or parents' contribution (PC).*** When state resources are very scarce as they are now, there is a desire to protect the poorest students. All students who receive MAP are needy (as defined as education costs minus available resources) but students can be ranked on “neediness” based on the federally-calculated expected family contribution (EFC) or the parents' contribution (PC) component. Awarding based on EFC requires that one or two application deadlines are selected and then applicants are ranked by EFC within each deadline and awards are based on the money allocated for each deadline. This allocation mechanism also must produce many more MAP recipients in order to overcome the lower graduation rates of students from families with the lowest incomes.

Help close the achievement gap. The achievement gap is the difference in the percentage of the workforce with a credential for minority workers or workers from low income families compared to higher income families. College completion rates increase as income increases. The state's goal is to narrow the gap to 10 percent or less. Increasing graduation rates by excluding segments of the population from higher education was not acceptable to the task force. MAP can be used to close the achievement gap by giving the most aid to the students from the poorest families, who are often minorities, helping to minimize the huge financial hurdles that they face. The allocation strategies that work to meet this are the same types of strategies used to increase the number of graduates – allocation strategies that encourage access.

- ***Extend processing for later filers.*** Late filers are often independent students or urban and rural poor students who have historically low college attainment rates and are very price sensitive concerning college. Providing them with adequate funding is necessary for them to attempt and continue in college.
- ***Award on the basis of EFC or PC.*** Attainment rates rise as family income levels rise. Directing more funding to the poorest families can help close the achievement gap by helping to remove the financial hurdles to college.

Shorten time to degree completion. The longer students stay in school and the fewer classes they attempt each semester, the more it costs to obtain a degree and the less likely they are to complete. Students who attend part-time have particular difficulty completing their programs because the time frame is so long. For example, part-time students who can only take two courses per semester for two semesters each year will take five or more years to complete a two-year degree. The type of MAP

allocation strategies that can shorten time-to-degree are those that weed out weaker students, impose year to year standards that must be met, or allow students to attend year-round.

- ***Impose year to year merit and pace requirements.*** Already discussed in the Improve Graduation Rate section, merit and pace requirements incent students to meet standards in order to retain their financial aid. For those who can meet the requirements, they will shorten their time-to-degree. For those who cannot, however, it can increase the drop-out rate especially for independent students who can be forced to withdraw from classes for family reasons or other reasons beyond their control.
- ***Impose a high school to college merit component.*** Already discussed above, a merit component restricts college grant aid to those students best prepared for college. These students require fewer remedial courses and complete more of their courses attempted. Fewer “do-overs” shortens time-to-degree.
- ***Offer summer MAP.*** Summer MAP can provide aid to non-traditional students who usually attend part-time and cannot attend at all without MAP. Going year-round can shorten time-to-degree by one-third.

Reduce cumulative student loan debt. Students are graduating today with a record amount of debt. The average cumulative Stafford debt level is over \$25,000. It is important to realize that the “current” cumulative debt level is for students who began their programs six years ago – any cumulative debt number is already an “old” number. Students who begin their programs today can expect to graduate with even higher debt levels. There are three allocation strategies that directly affect student debt levels: increasing the size of the maximum MAP grant, providing incentives for on-time program completion and encouraging community college attendance.

- ***Increase size of the maximum MAP grant.*** The maximum MAP grant is currently \$4,968, however, a reduction factor has been placed on the award to effectively reduce it to \$4,720 for the past couple of years. At the same college tuition and fees have been increasing at least 5 percent per year. Simple arithmetic shows that when costs are increasing and grant aid is falling, the resulting gap must be filled from other sources, usually loans. ISAC has statutory authority to increase the maximum MAP grant to \$6,468 but has never had sufficient funding to do so. The decision to increase the size of the award would recognize that some students are not attending college because they have insufficient funds to do so, but at the same time would ignore the needs of the students who apply later in the process and receive nothing.
- ***Encourage 100 percent time to completion.*** The easiest way to cut college costs is to finish on time. Finishing in four years rather than five can take 20 percent off the cost of education, and it cuts the opportunity cost of college as well. The imposition of pace requirements can shorten time-to-degree for some students but there is a risk that other students, who would have finished but in a longer time-frame, will drop out.

- ***Encourage students to explore the option of a community college.*** Taking the first two years of coursework at a community college can reduce the cost of college by more than a third. A pilot MAP allocation strategy is already in place that encourages students to attend a community college. Called MAP 2+2, it provides higher levels of grant aid to students attending a community college and it requires participating community colleges and four-year institutions to coordinate their programs and transfer credits to enable a student to graduate in four years. While this pilot program has intellectual appeal it has been hard to implement in practice. The community college option is a good option for many students, but some task force members had strong concerns about “steering” minority students and students from very low-income families only to community colleges. Task force members were generally concerned about reducing student choice in the MAP program.

Reduce debt for those who do not complete. While there is much concern about rising cumulative student loan debt, the relatively small loan acquired by a student who does not complete his program is the loan most likely to default, in the process racking up high interest and penalty charges that turn a small loan into a big one. The best way to ensure that non-completers don’t default is to keep them from going into debt in the first place:

- ***Steer high-risk students to community colleges.*** Many high-risk students receive full federal Pell grants of \$5,550, plus a \$1,900 MAP grant, more than enough to pay for tuition and fees at any community college in the state without a loan. (Concerns about this approach were noted above.)
- ***Increase size of first-year grants.*** For students attending schools in sectors other than the community college sector, increasing the first-year grant could reduce the size of the loan needed to cover costs. If a student fails to complete his first year or fails to return for the next year, the loan debt he is facing may not be quite as burdensome.

Improve “efficiency” of MAP grants. While the idea of making MAP more “efficient” has appeal, it is important to have a clear understanding of what that means. MAP is efficient if every dollar spent on MAP goes to a student who could not attend college without it. MAP efficiency is sometimes viewed in terms of credential production. Efficiency can be measured in terms of credential completion or access as long as it is determined that students would not have attended and persisted to completion in college without the grant. This usually means steering the grants to the lowest income students with the fewest resources including federal grants and giving the awards to students who are reasonably well prepared. Three allocation mechanisms can be said to improve MAP efficiency:

- ***Steer grants to lowest income students.*** Methods to direct MAP dollars to the lowest income students have already been discussed and include extending processing deadlines and allocating MAP dollars based on a student’s EFC.

- ***Impose merit and pace requirements.*** Merit and pace requirements restrict MAP grants to those most likely to succeed, increasing the graduation rates of MAP recipients.
- ***Coordinate with Federal grants.*** Over \$1.2 billion in federal Pell dollars come into Illinois every year. Students from low-income families can receive \$5,550 per year to pay for tuition and fees, living expenses, books, supplies, transportation, child care and other costs of college attendance. A full MAP grant plus a full Pell grant gives a low-income student over \$10,000 per year toward her cost of attendance.

Specific scenarios have been developed to meet each of these goals. Each scenario was evaluated in terms of success of meeting the intended goal; sector distribution impacts; and impacts on dependency status, race and income levels of the recipients. A sample scenario sheet is illustrated below.

MAP SCENARIO Evaluation Sheet

Scenario Name:	Freshman/Sophomores \$3,000 Max even if > Tuition and Fees
	Juniors/Seniors \$6,968 Max limited by Tuition and Fees
Variables Changed:	Maximum Award; Process Nearly one week longer

Sector Impacts	BASELINE		SIMULATION		# difference	\$ difference	# % diff	\$ % diff
	# recipients	\$ claimed	# recipients	\$ claimed				
Public Universities	44,192	\$157.6	45,255	\$148.8	1,063	-\$8.8	2.4%	-5.6%
Private NFP Institutions	38,171	\$152.4	39,174	\$159.6	1,003	\$7.2	2.6%	4.7%
Community Colleges	47,368	\$44.1	49,613	\$47.3	2,245	\$3.2	4.7%	7.3%
Proprietary Schools	6,031	\$17.3	6,164	\$15.6	133	-\$1.7	2.2%	-9.7%
Total	135,762	\$371.3	140,206	\$371.2	4,444	-\$0.1	3.3%	0.0%

Diversity Impacts	BASELINE		SIMULATION		# difference	\$ difference	# % diff	\$ % diff
	# recipients	\$ claimed	# recipients	\$ claimed				
White, non-Hispanic	34,349	\$105.6	35,587	\$108.8	1,238	\$3.2	3.6%	3.0%
Black, non-Hispanic	18,962	\$54.3	19,348	\$48.6	386	-\$5.6	2.0%	-10.4%
Hispanic	12,873	\$38.5	13,095	\$34.7	222	-\$3.8	1.7%	-9.9%
Asian	5,066	\$18.4	5,207	\$18.8	141	\$0.4	2.8%	2.3%
Other	16,316	\$47.1	16,845	\$47.0	529	-\$0.1	3.2%	-0.3%
Unknown	48,196	\$107.4	50,123	\$113.3	1,927	\$5.9	4.0%	5.5%
All	135,762	\$371.3	140,206	\$371.2	4,443	-\$0.1	3.3%	0.0%

Other Impacts	BASELINE		SIMULATION		# difference	\$ difference	# % diff	\$ % diff
	# recipients	\$ claimed	# recipients	\$ claimed				
Dependent	75,243	\$235.3	77,051	\$222.5	1,808	-\$12.8	2.4%	-5.4%
Independent	26,513	\$68.2	27,668	\$76.4	1,155	\$8.2	4.4%	12.1%
Ind With Deps	34,006	\$67.9	35,487	\$72.4	1,481	\$4.5	4.4%	6.6%
First Generation	78,355	\$204.8	80,765	\$232.1	2,410	\$27.2	3.1%	13.3%
Zero EFCs	78,823	\$196.8	81,255	\$192.0	2,432	-\$4.8	3.1%	-2.4%
\$1-\$1,000 EFC	16,030	\$49.0	16,574	\$49.9	544	\$1.0	3.4%	2.0%
\$1,001-\$3,000 EFC	19,618	\$58.2	20,377	\$59.0	759	\$0.8	3.9%	1.4%
\$3,001-\$5,000 EFC	11,460	\$35.3	11,839	\$36.4	379	\$1.1	3.3%	3.2%
\$5,001-\$8,999 EFC	9,831	\$32.1	10,161	\$33.9	330	\$1.8	3.4%	5.6%
>=\$9,000 EFC	0	\$0.0	0	\$0.0	-	\$0.0		

	BASELINE	SIMULATION		BASELINE	SIMULATION
Weighted Graduation Rate	39.7%	39.6%	Public Universities		
MAP Suspense Date	late March	late March	Cost of Attendance coverage Fr/So	19.4%	11.7%
			Tuition and fee coverage Fr/So	37.1%	22.4%
			Cost of Attendance coverage Jr/Sr	19.4%	27.2%
			Tuition and fee coverage Jr/Sr	37.1%	52.0%
Community College	BASELINE	SIMULATION	Private Institutions	BASELINE	SIMULATION
Cost of Attendance cover	18.1%	28.0%	Cost of Attendance coverage Fr/So	11.1%	6.7%
Tuition and fee coverage	51.0%	79.0%	Tuition and fee coverage Fr/So	15.9%	9.6%
			Cost of Attendance coverage Jr/Sr	11.1%	15.6%
			Tuition and fee coverage Jr/Sr	15.9%	22.2%

Scenario Development

The changes to the MAP allocation process identified by the task force in response to achieving state goals are first broken down into various scenario components which either “spend” MAP dollars or “save” them. Most of the changes to the MAP allocation process are a zero-sum game. Dollars have to be taken away from some students to be able to give them to others. Each scenario is designed to further a goal by the dollars it takes away and the dollars it reallocates. Each scenario spends the targeted appropriation of \$371 million (the FY2013 appropriation). This section is a list of the specific scenarios that the task force considered. Details of each scenario can be found in the scenario sheets found in Appendix B.

Prioritize MAP based on EFC

The current MAP allocation uses a first-come, first-served, rationing mechanism based on the Free Application for Federal Student Aid (FAFSA) application date. This system rewards students who file early and penalizes those who do not or cannot file early. Awards are made until funds are exhausted. Students know their eligibility and they know the maximum MAP grant. What is uncertain is the application deadline. The early application deadlines of the past few years caught some students and schools by surprise.

Prioritizing awards based on the federal EFC requires setting a cutoff date and then giving MAP grants on the basis of EFC or PC. The advantage to this methodology is that it does drive aid down to the very lowest-income students who are already planning to attend college. Under this allocation methodology, students know the application deadlines and the maximum MAP grant. What is uncertain is a student’s eligibility. This allocation methodology does not contain any completion incentive and, since income and program completion are correlated, will probably reduce MAP student graduation rates and the number of graduates in absolute terms as well. Other academic policies could be implemented to provide the extra support needed to offset this effect. However, all MAP recipients and not just the lowest income MAP recipients could benefit from additional support to help them complete.

An alternative method of assigning aid by EFC is to set a cutoff date and an EFC cut-off and then provide everyone with an adjusted award to stay within the appropriation. The advantage to this method is that more students receive awards; the disadvantage is the amount is unknown, and may be insufficient to incent access. Under this methodology, a student knows her eligibility and knows the application deadline but is uncertain about the award amount.

A third allocation strategy is to set multiple deadlines and proceed with either of the above approaches. This was the methodology preferred by some task force members. It drives aid down to the lowest income students and extends processing to accommodate independent students who often apply later in the process. However, this approach is likely to be in direct conflict with the resolution’s goal of increasing completion because the students that benefit from the extended deadlines are generally less prepared for college level courses and require remediation or have social or economic barriers to achieving a credential in the traditional timeline.

While all of the EFC allocation strategies increase the number of MAP recipients because lower-income students disproportionately attend community colleges and receive smaller awards, these are also the students who are less likely to graduate. Estimated graduation rates fall under all of these scenarios.

Use high school-based merit components

The task force viewed several simulations with merit criteria – upper half/lower half of the class and ACT scores. Several ACT cutoffs were modeled and were combined with class rank. Although some were more drastic than others, all significantly reduced the number of minority students who received MAP. The imposition of “backward looking” high school to college merit components was almost universally disliked, with task force members believing that they would increase inequity and reduce diversity, magnifying disparities in education at the high school level rather than shrinking the achievement gap. High school to college merit components also are very difficult to apply to independent students, who have been out of high school for many years. This type of approach could also be in direct conflict with the State goal to reduce achievement gaps.

Impose higher satisfactory academic progress (SAP) requirements

Imposing higher SAP requirements was discussed by task force members. Increasing the ratio of completed hours to attempted hours and requiring a higher GPA to keep the MAP grant from year to year were considered but rejected. The task force generally felt that MAP recipients shouldn't be held to a higher standard than federal Pell grant recipients (or, for that matter, higher than the standards imposed on other students whose attendance is subsidized at public institutions) and it was also noted that the federal government had just increased SAP requirements and it was too early to have data on the impact of the changes. Also, having two different standards to be monitored would increase the administrative burden of the program for the schools.

Impose a more flexible, school-based selection process for MAP recipients

Under this allocation mechanism, schools would be given 10 percent of their usual MAP claims as a lump sum to distribute to students according to criteria established by the school and approved by the state. Other qualifications could be considered to receive a MAP grant such as performing well in an interview, providing high quality writing samples, having taken a rigorous high school curriculum, or participating in extracurricular activities. MAP could also be awarded first to returning students or students who are taking workforce development courses or are in a program of study that is in high demand in the labor market. These types of qualifications are very hard to implement at the state level but would be possible at the school level. However, when implementing this at the school level, the requirements could vary greatly from school to school, leaving the selection process for MAP recipients more uncertain and less transparent than it is now. School selection also has the possible disadvantage that schools will select students based on school goals, not state goals. If money is directed at keeping a student in a particular school it may not be efficient; the state goal would be to keep the student in Illinois but not necessarily at any particular institution. A recent study of a Connecticut school-based program found that considerable aid was directed at students who did not need it and was offered in an attempt to meet school rather than state

goals. This risk would be mitigated by establishing the overall eligibility requirements on a state-wide basis. Some MAP task force members were not supportive of this approach, indicating that it was too school-focused rather than student-centered.

Extend processing for later filers

Most task force members were in favor of setting aside some money for independent students or new students who often file later, especially at community colleges. However, there was no agreement on where the dollars to pay for the extension would come from. Saving some funds just for independent or new students at community colleges is relatively inexpensive but expanding those offered the extension to independent students at four-year schools or all community college students drives up the cost. It should be noted that later-filing students are less likely than other students to attend and less likely to complete. Several scenarios were modeled that generated funds to extend the application deadline in different ways: from reducing award sizes, reducing MAP grants to Pell recipients or by reducing the maximum EFC allowed for MAP eligibility.

Offer Summer MAP

Summer MAP can reduce time-to-degree by encouraging students to continue their education during the summer. Approximately \$10 million would provide summer MAP for community college students. The idea of summer MAP did not generate much discussion among task force members. One problem with summer MAP mentioned in the past was that the dollars were taken away, at least in the short run, from “regular” MAP and regular MAP is already stretched to the limit.

Increase the size of the MAP grant

Several scenarios were modeled where the size of the MAP grant was increased up to the statutory maximum of \$6,468. This would likely increase retention and ultimately graduation rates, but the cost is prohibitive. Raising the maximum grant without additional funding would reduce the number of students served even further and there is no really good data on the actual increase in retention that would result from an increase in the maximum award. The scenarios were simulated using an elasticity measure derived from an analysis of falling MAP claim rates over the past six years. Increasing the size of the MAP grant might reduce student debt levels.

Increase the size of first-year grants

Increasing the size of first-year grants would not cost as much as an increase in the size of the award for everyone, but the same problem of where the funds come from still exists. The purpose of increasing first year MAP grants is consistent with the financial aid policies of many schools. A student is more likely to graduate the further along in their program they are, so it could be better to front load grant aid in case the student doesn't make it past the first year. This could reduce the amount of debt that dropouts acquire. Student loan borrowers who drop out are more likely to default.

Steer high risk students to community colleges through the use of merit components

Although this approach could reduce the debt (and the potential for default) acquired by students who do not complete an academic program, it was considered discriminatory by many task force members. Using high school GPA and especially ACT scores to steer weaker students to community colleges could severely reduce the number of minority students in Illinois four-year institutions. It is also inconsistent with MAP support of student choice.

Coordinate MAP grants with Federal Pell grants

Most MAP recipients (92 percent) are at least partially eligible for a federal Pell grant. Students can get up to \$5,550 per year in federal Pell grants. Simulations were run that capped the total amount of state and federal grant aid at the maximum Pell level for students at community colleges or slightly above that maximum Pell level. The maximum Pell grant alone is sufficient to cover the cost of tuition and fees at any community college in Illinois. As a result, community college students who are eligible for both Pell and MAP receive far more tuition and fee coverage than students who are attending schools in other sectors are receiving. (The maximum Pell grant plus the maximum MAP grant is \$10,518, which, for example, is not sufficient to cover tuition and fees at Illinois public universities.) Some task force members made the case that independent students attending community colleges need funding above tuition and fees to cover essential costs associated with college attendance such as transportation and childcare. However, other task force members noted that MAP recipients generally need to find a way to pay for these types of costs wherever they attend school.

Scenarios were run in which the aid was restricted to some combination of Pell and MAP for all community college students and some scenarios were designed to impose such a cap only on awards to dependent students. With the imposition of a cap for dependent students only, enough funds would be generated to process applications for community college independent students through the summer. Several task force members liked this approach; however, others were strongly opposed. Those who liked this approach noted that the community college sector is the only sector in which students receive grant dollars in excess of tuition and fees and believed that this should be considered in examining how best to stretch the program appropriation to serve additional students. Those who opposed a cap on the combination of Pell and MAP felt that there could be widespread, negative, unintended consequences of doing so. They viewed the change as punitive to those students who, by choice or circumstance, cannot attend a bachelor's degree program, have career goals that do not include a bachelor's degree, or have employment and/or family responsibilities that do not allow them to consider colleges that are not near their homes. They also believed that this policy would remove an existing incentive for students to choose a more affordable educational program.

Adopt MAP “efficiency improvements”: A “time-out” for students who fail, no MAP for remedial classes and no MAP for failed or dropped classes

Students can flunk out of one school, generally a four-year institution, and then enroll the following semester at a community college and continue to receive MAP. One ISAC study of MAP recipients and one National Clearinghouse study have discovered this behavior pattern to have an extremely low chance of producing any type of credential. There was agreement by task force members that a one year “time-out” on MAP for these students is reasonable. After one year, a student could receive MAP again. The savings to MAP are minimal, but restricting MAP could help keep an unprepared or poorly motivated student from continuing to incur debt with little or no chance of completing. The “saved” MAP dollars would be redirected to other MAP-eligible students.

There was some interest initially in not paying for remedial courses. The more remedial courses a student attempts, the lower is his or her chance of actually completing their programs. ISAC estimates that at least \$20 million of MAP funding are used to pay for remedial courses each year. The actual amount is difficult to determine because there is no consistent definition of what a remedial course is. Some schools such as community colleges clearly identify their remedial courses; however, some nonprofit institutions with similar student populations do not indicate that they offer any remedial classes. A clearer definition of what is a remedial course is a prerequisite to implementing a change such as this.

There are concerns that access would be harmed by a policy of not paying for remedial courses. Not paying for remedial courses disadvantages the lowest-income students who are often the least prepared. This would affect the dollars going to minority students and could affect the minority college participation rate. This would be in conflict with the state goal to reduce achievement gaps. The task force members ultimately were not in favor of this idea because the students would have difficulty paying for the remedial classes and it would be a significant burden for the institutions to absorb the costs.

Not paying for failed or dropped courses could also affect those that need grant dollars the most. Independent students in particular have many reasons beyond their control for dropping a course such as a car breakdown, sick child, or work requirements. Not paying for these classes could create unpaid balances which have been shown to deter program completion or credit transfers to a different institution.

Develop advising and financial partnerships with schools

Several types of school contributions to MAP recipients were modeled. School contributions in addition to the MAP grant have the potential to improve retention by increasing the size of the award. School contributions as part of the MAP grant would let the state extend the MAP dollars further. Both approaches are essentially new unfunded mandates on schools that are also experiencing financial difficulty at this time.

Acknowledging the financial contributions many schools are already making to MAP recipients was also discussed. One method for highlighting institution contributions is by using the Oregon Shared Responsibility Model to describe the financial aid process in Illinois. The Oregon Shared Responsibility Model explicitly describes the universities’ financial contributions in a student’s financial aid package and was offered as a way of explaining how student financial aid is packaged for the student. It showed clearly the majority of the responsibility for paying for college fell to students and parents and demonstrated that

the schools played a significant role as well. In Illinois, however, schools are reluctant to share what they view as strategic data for enrollment management purposes.

Scenarios were developed that had schools paying for part of the MAP grant or paying for an increase in the maximum award. These scenarios were not pursued further because they were simply more unfunded mandates for schools. A partnership that many task force members did like was having schools participate as partners through academic and financial aid advising. Several task force members suggested that the development of a mandatory advising program be considered further in a subgroup of the task force. Schools in Illinois that are already providing special academic and advising help to MAP recipients and other high-risk students are finding they do better than those students who are left on their own.

Reward higher performing schools

Several models of school performance were also evaluated. The California “in-or-out” model, which denies participation in state grant programs to any school that had 40 percent or more of its students in the loan program and has either a 15.5 percent or greater 3-year cohort default rate or a school graduation rate of less than 30 percent, was considered. A modified version of the California model that incorporated the percentage of Pell recipients among the schools’ students was simulated. Another simulation reduced the size of the award for schools that missed the cutoff points instead of outright rejecting the school. Both models were considered fairly arbitrary and were extremely sensitive to the assumptions made. They were also perceived as harming students who would see reduced awards if their schools underperformed.

Summary of the Scenarios – What Changes the Task Force Could Support

After viewing over 100 scenario components and completed scenarios, the members of the task force were asked to list the changes that they could support and those that were completely unacceptable. While there was no unanimity of position on any change, there were several changes that were either largely liked or largely disliked:

- (1) Some task force members emphasized the need for increased award flexibility that could be achieved through a campus-based program. Some wanted to save awards for students in workforce development programs and others wanted to have the flexibility to apply some school-specific qualifying criteria or give awards to returning students.
- (2) About half the task force members indicated that the program should better accommodate the essential differences between dependent and independent students and new students vs. continuing students; the most common accommodation mentioned was different application deadline dates.
- (3) While better targeting aid to students more likely to succeed received general approval, the use of merit components, especially high school to college merit components such as high school GPA or ACT score, were almost universally disliked, with task force members believing that they would increase inequity and reduce diversity.
- (4) The essential tension between access and completion cannot be completely eliminated. While approving, in theory, the idea of targeting aid to students most likely to succeed, most task force members did not want completion at the expense of access. The task force members tended to view completion as a statewide problem and access for low-income students as a MAP issue.
- (5) Some type of additional support for MAP recipients was mentioned by several task force members. Information on borrowing, frequent meetings with academic/financial advisors, and improved connections with existing sources of information and aid were mentioned.
- (6) Several task force members expressed concern that the MAP eligibility formula is old and outdated, although it still does direct aid to lower-income students. Substituting a payment table was offered as a simpler replacement for the existing formula.
- (7) Several task force members mentioned institutional accountability. A few referenced the California Model or a similar model that also incorporated the percentage of Pell recipients at each school, but most were not prepared to make specific recommendations of how to hold schools accountable.

In summary, the task force indicated that they would like increased program flexibility overall and especially flexibility when attempting to address the needs of non-traditional students (such as providing an extended application deadline); expressed a desire to better target aid to students without a heavy-

handed and somewhat discriminatory high school to college merit component; valued access above all; saw merit in providing support services to MAP recipients; would like to see the eligibility formula updated and simplified; and were not adverse to some institutional accountability measure.

From these discussions, a final set of scenarios emerged. All the scenarios focused primarily on access with the primary goal being to extend the application deadline, at least for first-time students and independent students. With the emphasis on access, some of SJR 69's goals are not explicitly addressed by these scenarios as they were perceived by the task force to reduce access. Although generally focused on access, the final set of scenarios differs greatly in impacts on students and institutions. It was possible, however, to find a combination of variations on two of the initially offered scenarios. Ultimately, there were six scenarios (with variations) presented for evaluation.

- (1) Scenarios that allocate MAP grants by the federally calculated Expected Family Contribution (EFC) after establishing two deadlines – one for all students and one for either independent students or first-time students. These scenarios put the focus on serving the very poorest students, regardless of sector. They also acknowledged the different needs of independent and first-time students who are not as familiar with the college application process as other students. Variations included ranking schools with California-like set of criteria and increasing the maximum MAP grant to the statutory maximum.
- (2) Scenarios that reallocated dollars in the community college sector to “self-fund” and extended processing deadlines for all community college students or independent students. A cap is placed on the amount of federal and state grant aid that can be received by community college students; the saved dollars are used to extend processing. Students attending community colleges who receive both Pell and MAP are the only students who receive state and federal grant aid in excess of tuition and fees. In these scenarios, some of the MAP money from these community college students is used to extend processing for other community college students in the queue.
- (3) A scenario that reduces maximum MAP grants to the average award in each sector; the saved dollars are used to extend processing for everyone.
- (4) A scenario that is a variation on a proposal by a task force member to eliminate proprietary colleges and universities from the program. This modified scenario would reduce the maximum MAP grant to students who are obtaining two year degrees to the maximum award at community colleges. Dollars saved would be used to extend processing.
- (5) A combination of EFC cap reduction and “self-funding” at community colleges. This scenario presents a modification of the allocation by EFC methodology presented in Scenario 1 and combines it with the self-funding scenario shown in Scenario 2. Instead of allocating MAP dollars by EFC, the first-come, first-served methodology is retained but the EFC cap is reduced from \$9,000 to \$7,000. The current MAP allocation formula has a cap of \$9,000 – no student from a family with an EFC of \$9,000 or more is considered for a MAP grant. This scenario reduces the cap and uses the savings to extend processing for lower EFC students.

- (6) Flexible MAP scenario. This scenario retains the existing formula and first-come, first-served allocation methodology but retains 10 percent of the dollars available for MAP and distributes them as a lump sum to individual schools to award by school specific (and state approved) criteria. Schools could use these funds to serve students who apply later in the period or those that are returning students or could impose some type of merit criteria.

Each of these scenario sets will be discussed in more detail below.

(1) This set of scenarios creates two deadlines and allocates MAP within each deadline by the expected family contribution (EFC). The first deadline date desired was March 1.

- While the number of MAP recipients increased in most of the scenarios; the number of expected graduates did not. While MAP stretched further to provide aid to more students with aid, the students were coming from lower income families and attending community colleges or relatively open admission four-year institutions. These students have lower graduation rates and the additional number of MAP recipients was not enough to compensate for the decreased expected graduation rates. In addition, more two-year degrees, at the expense of four-year degrees, would be awarded. The overall result was more MAP recipients, more drop outs and about the same number of graduates.
- Most scenarios result in large sector dollar shifts – primarily from private nonprofit institutions to community colleges.

In all models, staff assumed that the EFC cutoff for those who applied on March 1 or after should NOT be higher than the EFC cutoff of those who applied before March 1. It does not appear to be good public policy to provide awards for relatively higher income students who applied later at the expense of relatively lower income students who applied earlier. Therefore, all the simulations have the same EFC for both groups, or a lower EFC for later applying students.

- Using March 15 and August 15 deadlines (Models A and B), two scenarios are shown with different EFC cutoffs; the second for first-time applicants only. The first has only one cutoff of \$4,900 (basically all Pell-eligible students) for everyone. The second has a higher first cutoff of \$5,800 that required a second EFC cutoff 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.
- Models C, D and E also have different cutoff dates for first-time applicants but increase the size of the maximum MAP grant by \$1,500. Since both scenarios reduce the number of grants awarded and the number of graduates, these scenarios did not appear to take the task force in a direction it wanted to go.
- Model F puts in place a \$3,400 EFC cap for everyone allowing dual processing deadlines of March 14 and July 15; about 16,000 more students receive grants but the expected number of graduates drops by about 1,000.
- 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 15 for both scenarios with the July 15 deadline

reserved for independents only. Model G has a \$3,400 EFC cutoff for the March 1 deadline and a \$2,400 EFC cutoff for the July 15 deadline. By reducing all awards by 10 percent as is done in Model H, the EFC cutoffs can be extended to \$4,100 in both scenarios. 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.

- The final two variations in this group (Models I and J) make use of the quintiles developed based on the California model with a suggested change by an Illinois school representative. Schools were 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 percent of their award eligibility (similar to the California model –except that no freshmen were denied an award.) Model I has suspense dates of March 15 for returning students and August 15 for *new students* with an EFC cutoff of \$5,500 for both groups. More than 15,000 more MAP grants are made and the estimated increase in the number of graduates for this scenario is over 1000. Model J has suspense dates of March 14 for all students and July 15 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) This set of scenarios are “self-funding” models where community college students’ total federal and state grant aid cannot exceed some constraint; savings extend processing within the sector.

- The scenario variations raised the constraint from \$5,550 to \$6,100 and \$6,250 for all community college students, capping MAP at \$700. This constraint could be raised further – any cap under \$1,900 would save money that could be used to extend processing.
- All changes take place within the community college sector. There is no sector shift of dollars.
- Between 39,000 and 53,000 more awards are made and this is sufficient to generate between 7,000 and 10,000 more graduates. No initial shift between the number of two- and four-year degrees is produced.
 - Model K is a scenario in which 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 8 for independent students in the community college sector. About 1800 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.
 - Models L and M increase the limit from \$5,550 to \$6,100 and \$6,250 but extend the constraint to all students 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) A single scenario in which the maximum MAP grant is based on the average paid award by sector in the base model

Another proposal offered created 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)

- Despite a major allocation change resulting in changes to many students' awards and eligibility states, ultimately there are very small sector shifts in total dollars going to each sector.
- Without including an elasticity calculation, about 70,000 more awards could be made and about 20,000 more graduates are estimated. However, many students at four-year schools could be unable to make up the difference; MAP grants could lose their ability to incent college attendance.
- The tipping point, the point in which large numbers of students either do not accept their awards or leave because the costs are too high, is difficult to determine. However, it appears MAP claim rates are continuing to decline in FY13 which might indicate that the tipping point has already been reached or is close at hand. If we lower the awards enough, we can process all year and still lapse money because the size of the awards will not be large enough to incent very many eligible applicants to enroll.
- Most states with tuition and fees in the same range as Illinois have maximum awards that are at least \$5,000. Currently, Illinois' effective maximum is \$4,720 and it appears that MAP claim rates are declining.

(4) A single scenario where students at proprietary colleges and universities in two-year programs had MAP grants capped at the community college maximum while students in the four-year programs were capped at the maximum MAP grant. This scenario was offered by ISAC staff in lieu of a ban on proprietary institution participation in MAP proposed by a task force member.

- ISAC does not believe it can legally block proprietary colleges and universities from participating in MAP through ISAC rule changes, if they meet the current eligibility requirements. The legislature explicitly added proprietary institutions to the MAP program in the mid-1990's. The initial scenario proposed would have excluded proprietary colleges and universities from MAP eligibility. ISAC believes that only the legislature can remove proprietary schools from the program. Doing so would also appear to directly contradict one of the conditions of the resolution: "Recognize that all colleges and universities are different and the different natures of their student populations and their varying missions must be recognized as inherently good and valuable and the new rules should not alter, nor have an adverse impact on, an institution's mission."

- Of the nine proprietary institutions (out of over 100 operating in Illinois) that are MAP-eligible, only three offer only two-year degrees or less. Overall, about 40 percent of the credentials awarded from these institutions were certificates or associate's degrees – the remaining 60 percent were bachelor's degrees. This modified scenario reduces awards to students in two-year programs to the community college maximum award of about \$1,900.
- Saves the program about \$3.3 million which would extend application processing by one day
- Would need to apply to all two-year programs (not just those at proprietary schools) for fairness. The savings would probably double to about \$6.5 million.

(5) A single, hybrid scenario where Pell+MAP<=\$6,150 for community college students and the EFC cap is reduced to \$7,000.

- 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 the community college sector “self-fund” a deadline extension by restricting the amount of MAP available to students who receive Pell grants. About 92 percent of MAP recipients are Pell eligible (that is, they have EFCs of 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 grants by over 52,000 and increase the number of graduates by more than 9,000 despite a significant decrease in the average graduation rate.
- Award deadlines are March 27 and Aug. 17.
- Causes relatively small sector shifts in dollars going to each sector while it drives aid to students from lower income families
- Graduation rates fall but the number of graduates increases due to increased access - over 9000 more estimated graduates

(6) Flexible MAP pilot program

- This scenario (Model Q) was introduced in the task force's fifth meeting. It would give schools about 10 percent of their previous year's claims as an “allocation” that could be used to provide awards based on school criteria – within a framework developed to ensure that the program continues to serve state goals. Schools could simply use a first-come, first-served award method, or they could award to their returning students first, or their poorest students, or students in certain programs or who passed certain hurdles. The purpose of offering this scenario was 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. Schools would be required to award at least half the eligible amount to students they select for awards.

Table of the Final Scenarios and Their Variations*

		MAP recipients	Estimated graduates	Average Graduation Rate
BASELINE Scenario		135,762	53,896	39.7 percent
		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 percent
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 percent
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 percent
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 percent
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 percent
Model F	\$3,400 EFC Cap through March 14; \$3,400 EFC Cap Independents only through July 15,	16,176	(1,388)	34.6 percent
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 percent
Model H	FY13 T&F & \$5,550 Pell; 10 percent reduction factor; \$4,100 EFC Cap through March 1; \$4,100 EFC Cap Independents only through July 15	14,051	(2,229)	34.5 percent
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 percent	15,635	1,061	36.9 percent
Model J	Award all applicants through March 14; independents through July 15. \$3,800 EFC cutoff for all; "5th Group" institutions' awards only 80 percent	19,250	(3)	34.8 percent

		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; cutoff late March. Extend processing until May 8 for independent students.	1,784	(1,480)	38.1 percent
Model L	All CC Awards Limited to Pell + MAP <= \$6,250, extend CC processing to July 15	39,205	7,286	35.0 percent
Model M	All CC Awards Limited to Pell + MAP <= \$6,100, extend CC processing to August 17	52,748	9,672	33.8 percent

Scenario 3	Lower max awards; later deadline for independents			
Model N	A 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 percent

Scenario 4	Change MAP eligibility for proprietary schools			
Model O	Reduce awards for students in two-year degree programs at proprietary institutions to cc level	1,191	406	39.7 percent

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	9,109	33.5 percent

Scenario 6	Flexible MAP			
Model Q	10 percent 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

**These are model simulations based on the FY2012 distribution of MAP recipients. It is important to note that the actual results are likely to vary and the estimates should be viewed as a range of results that are directionally correct. Small changes in either direction can be correctly interpreted as essentially no change.*

Discussion of the Scenarios

After presenting the details of all the scenarios at the sixth task force meeting, it was determined that several could be discarded. After ISAC's assertion that it did not have the authority to eliminate proprietary colleges and universities from the program, the modified scenario, where awards are adjusted for students in two-year programs, was eliminated since it resulted in few dollars being saved and would have to be extended to students in other two-year programs for fairness.

The flexible MAP option received little further discussion. In the fifth task force meeting where the concept had initially been introduced, some task force members felt it was too drastic a change and shifted the focus from a "student-centered" program to a "school-centered" program. While the flexible aspect of the program was of interest, the task force was not in favor of this option.

The proposal to reduce all awards was well received by some task force members who were very concerned about extending the application deadline but opposed by representatives from the four-year sectors who felt the awards were already insufficient and that further reductions could keep students from attending their institutions.

Of the 10 simulations made from the scenario to set two application deadlines and then allocate by EFC, the three with the higher maximum awards were disliked by many task force members because they reduced both college access (fewer MAP recipients) and graduation rates. The two scenarios where schools were grouped by graduation rates, CDRs and percentage of Pell recipients were also not embraced by task force members because of concerns that the classifications could be somewhat arbitrary and the results could change based on the facts used and the weighting of the factors in the analysis.

What was left were several of the Scenario 1 options – different EFC cutoffs and application deadlines; the community college self-funding models (Scenario 2) where funds are taken from students whose MAP plus Pell exceeds tuition and fees and are used to extend processing; and the "hybrid" Scenario 5 model of a reduced EFC cap coupled with a "self-funding" model with a higher Pell+MAP cap.

The task force studied the different combinations of EFC cutoffs and application deadlines presented in Scenario 1 and split on whether they were an improvement over the current allocation methodology. Those task force members who liked at least one of the scenarios liked the increased number of MAP recipients, the shift from higher EFC students to lower EFC students who receive MAP and the extended processing deadlines for first-time students. The task force members who did not think these simulations were an improvement over the current methodology also liked the extended processing deadline but not at the expense of students with EFCs above the cutoff point, who were also needy students. They also pointed out that there was no increase in the expected number of graduates. There were also large sector dollar shifts.

The scenarios that showed the community college sector "self-funding" an extension in application deadline for first-time or independent students received support from some task force members. They felt that any grant aid in excess of tuition and fees at community colleges was open to reallocation given that

students in all other sectors could not cover tuition and fees with state and federal aid combined. Since most of the students who benefit from extended processing wish to attend community colleges, these task force members thought that self-funding through the sector was appropriate and did not cause shifts in aid to other sectors. The number of additional MAP recipients funded by this approach was large, sufficient to overcome the lower graduation rates associated with them, so the total number of graduates was expected to rise significantly. Those task force members who did not support these scenarios did not like taking any aid away from students attending a community college regardless of whether it exceeded tuition and fees. They felt these students were so poor that every dollar was needed by them to get over their financial hurdles. Although these task force members liked the idea of an extended application deadline for some community college students, they did not want it to come at the expense of other community college students.

The third scenario that found favor with some task force members was the “hybrid,” Scenario 5. This scenario reduced the MAP model’s EFC cap from \$9,000 to \$7,000 for all students and capped Pell plus MAP at \$6,150 for all community college students. The extended processing deadline enabled over 50,000 more students to receive MAP and resulted in an estimated 9,000 more graduates. The reduction in the EFC cap caused some sector distribution changes but they appeared to be tolerable and they did help drive dollars down to students with lower EFCs. However, those task force members who didn’t like the “stand alone” versions of the self-funding model didn’t find anything to like in the hybrid model either. In the end, while the broad concepts of extending the application deadline and driving dollars down to the neediest students had broad support, there was no agreement on how to fund those changes.

Broad Conclusions Supported by the Task Force

Although there was little agreement on specific changes that could be made to MAP, the task force was in broad agreement reaffirming the value of MAP and the traditional emphasis on access for all students.

- 1) MAP is a very successful program and is a good value for the state. MAP currently does a number of things well. It does provide sufficient resources to make a difference for about 140,000 students who receive it each year. It serves low-income dependent and independent students who attend both full- and part-time. It provides access and choice for many students. Students who receive MAP graduate at about the same rate as other students who attend the same schools. This means that these students overcome poverty, work obligations, family commitments, and lack of familiarity with higher education to graduate at the same rate as well-supported, traditional students from higher income families.
- 2) Until about a decade ago, MAP covered the average tuition and fees at a public university and provided grants to all eligible applicants. The state was rewarded for this investment with one of the highest college attainment rates by its workforce in the country. Despite the current shortfalls in the program, Illinois is still in the top 10 states for workforce credential development. MAP works. The single biggest problem for MAP is insufficient funding. The program has been severely underfunded for a decade. ISAC has prioritized MAP by recommending to the General Assembly and Governor's Office of Management and Budget that many of its smaller programs be defunded and those dollars be rolled into MAP. But the result is still far from adequate.
- 3) MAP is better as one big program. Small programs may be at enhanced risk of being defunded in tough economic times. The task force looked at programs in other states. States with multiple programs for different sectors or types of students, or for need vs. merit, seemed to create more confusion than flexibility. The idea that all sectors participate in the same program with the same parameters was generally perceived as fair. All participants can lobby for, promote, explain and defend a single, well-known large program more effectively than trying to promote several small programs. Small programs can be difficult and costly to administer and to coordinate into a sensible set of options for students.
- 4) The task force believed that facilitating access should be MAP's primary goal. Many other programs are being implemented in Illinois to bolster completion rates for *all* students, such as performance funding, dual enrollment between community colleges and 4-year institutions, intensive advising, freshman support programs and transfer articulation. If the completion equation is Access + Support = Completion, then MAP's role is providing the access component.
- 5) The community college is an important pathway to a college credential for many students. However, access to college includes access to four-year colleges and universities as well as community colleges. There was concern from some task force members that the reduced MAP awards and short application deadlines in recent years have significantly reduced access for those students the program was principally designed to help. While policies that increase access can reduce graduation rates, greater

rates of access can also lead to more graduates and more of the Illinois workforce with a postsecondary credential. High levels of access can trump lower graduation rates and produce more graduates.

- 6) Many task force members thought MAP dollars should go to the students from the poorest families. While all MAP recipients are needy, those that are Pell-eligible (with EFCs under \$5,000) are especially needy and some task force members thought they deserved additional consideration. While others were not unsympathetic to the idea, taking money from those who were still needy but had EFCs greater than \$5,000 had little appeal. Graduation rates also correlate with the family income of MAP recipients. Students from families with the lowest income level have the least chance of graduating. These students need additional support if we want to create more graduates and not more dropouts.
- 7) There is a strong desire by nearly everyone to extend the processing deadline at least for non-traditional or first-time students. Most task force members thought the MAP program would benefit from dual deadlines; again the problem became how to fund it. Non-traditional students operate on a different time frame from traditional students – they generally do not decide to attend college until very late for a number of reasons including family and job concerns. These students disproportionately attend community colleges and are the most price-sensitive group of students. They used to comprise nearly half of all MAP recipients; now they are closer to 40 percent because of the early cut-off dates. It is generally acknowledged that the most cost-effective way for a state to get another credentialed worker is to support completion by a non-traditional student who has begun a program of study sometime in the recent past. This would likely be the first place any additional funding for MAP would go – to extend the processing deadline for one or more groups of students.
- 8) MAP recipients could benefit from additional nonfinancial support. Most task force members thought that MAP recipients would benefit from both financial aid and academic counseling. The group discussed that this activity is appropriate at two points in a student’s academic career: First, at the postsecondary level with a focus on retention and completion; and second, when a student is still in high school where services such as those offered by the ISACorps can help students increase their financial literacy, align course choices with longer-term career goals and make more appropriate school selections based on their individual circumstances. Of the two, the group spent more time addressing the former while recognizing the importance of the latter. Most task force members thought that MAP recipients would benefit from both financial aid and academic counseling. One task force member spoke first-hand about the success of a program at his university. The higher education literature has examples of successful counseling programs where both retention and completion are enhanced by additional advising. Devising a supportive program for MAP recipients was beyond the scope of task force and the expertise of the task force members. It was recommended that another group be organized to discuss the specifics of an advising program for MAP recipients. Requiring that schools provide MAP recipients with advising programs would be the development of a good school/state partnership that was alluded to in the resolution.
- 9) The task force decided that increasing college completion concerns all students; not just MAP recipients. Policies that attempt to incent completion among MAP recipients, who graduate at the

same rate as other students when controlling for school type, were viewed as possibly discriminatory, heavy handed, or backward-looking. MAP policies that attempt to modify school graduation rates were seen by the task force to be quite arbitrary and very sensitive to assumptions being made. Similar attempts made by at least one other state and the federal government have been challenged in court.

- 10) Decisions about MAP would benefit from more research about the optimal level of student financial aid. ISAC staff has calculated simple elasticity measures from MAP claim rate data. When trying to determine the optimal level of grant, it is essential that detailed data exist on the grantees' response to changes in grant aid. This data set – really a demand curve for higher education – would be extremely helpful in making these types of decisions. Some task force members indicated that some of this type of data are now beginning to be available and that there could be an opportunity for ISAC staff to partner with available research resources.
- 11) The MAP formula could use an update and perhaps a change to a payment table. The MAP formula does drive MAP grants down to lower-income students but the formula components are outdated and several task force members thought a simple payment table could work better and be less confusing for students. The task force did not have the expertise to tackle this project and recommended that the Illinois Association of Financial Aid Administrators (ILASFAA) MAP Formula Committee handle it.

Specific Recommendations That Have Task Force Support

One important conclusion arrived at by the task force was that MAP should receive more funding. This successful program has produced reliably good results for decades and forwards the goal of the State's "Budgeting for Results, Result 2": *Illinois has a quality education system that provides equal opportunity for growth for all Illinois students.* The MAP grant has provided access to college for millions of students who could not have afforded college any other way. MAP has been demonstrated to be very cost effective. A recent study of independent students who attended a community college and received MAP, showed that they more than doubled the amount of taxes they were paying to the state upon completion of their programs because of the higher income that their additional education helped them earn.⁵

While the task force was not able to come to consensus on a new allocation strategy for MAP, they were able to make recommendations that can make MAP somewhat more efficient, will improve on state partnerships with schools and may help MAP recipient completion rates. Most task force members believe that advising MAP recipients, who are often first-generation students, is an important aid to success. Some schools do this more intensively than others; the recommendation is for all schools to have a comprehensive advising program in place for MAP recipients.

When looking at completion patterns of MAP recipients (and according to a national study, all students) there is one college attendance pattern that does not seem to be conducive to completion. This is a pattern where a student begins at a four-year institution, flunks out and then quickly enrolls in a community college, often in the same area as the four-year institution, the following fall. This pattern rarely results in a credential of any kind. The task force recommendation is a one-year "time-out" for MAP. Stopping out for a year lets students reconsider what they want to do.

The last recommendation concerns data. ISAC needs high quality data to use and to present to legislators and other policymakers about graduation rates, courses attempted vs. courses completed, the number of remedial courses undertaken, and the majors of MAP recipients. Much of this information will be available when the Longitudinal Data System (LDS) is up and running, but that could be years. The only other source ISAC has for acquiring some, not all, of these data of interest, is the National Clearinghouse, which is very expensive and therefore cannot be accessed often. The task force was supportive of requiring additional data reporting to ISAC from schools until the LDS is fully operational.

5 See ISAC Agenda Book from Nov. 13, 2009. Agenda Item #6: Alternative Funding Sources for Monetary Award Program (MAP) (Information). <http://www.isac.org>.

Establishment of a committee to develop guidelines for a school-sponsored advising program for MAP recipients

Most task force members agreed that additional financial aid and academic advising for MAP recipients was advisable and even necessary. Some task force members mentioned other programs that were successful or described their own school's program. Schools with existing programs could continue to develop them.

The development of a detailed recommendation about advising programs would require additional consideration beyond this task force and will require expertise not available on the task force. The MAP task force recommends that a committee be established to develop the parameters and framework for advising programs. The recommendation further suggests that while a program should be mandatory for MAP recipients, schools should have flexibility to customize them to own needs.

A one year "timeout" for MAP recipients who fail at one institution before they can claim MAP at a second institution.

Students who begin at one school (usually a four-year institution), fail, and then enroll at another institution (usually a community college) rarely acquire any type of credential.

The task force recommends a "timeout" of one year between flunking out of one institution and enrolling in another to get students a chance to reconsider their motives and decide what they would really like to do.

This timeout would not save the program significant amounts of money but would preserve the student's eligibility for MAP for a time when he may be able to more effectively use it. The school would be required to check on the status of transfer MAP recipients and it would become part of the audit process.

Send the MAP formula back to the ILASFAA formula committee for possible changes and updating.

The formula does generally direct MAP dollars to very needy students, but there may be simpler ways to do this, possibly in the form of a payment table.

Much information about MAP recipients is available, but more would be very useful when explaining or defending MAP to others.

The most frequently requested data are completion rates for MAP recipients. The National Clearinghouse data is the best source for this because it includes students who go out of state. The LDS would be an acceptable source for this data when it is accessible. If the LDS is not available, individual school data would be a good substitute and ISAC would like the right to request it, if necessary. This type of information is critical in helping to demonstrate the value of MAP and determine where improvements could be made.

The other data set frequently asked for is better data on remedial courses: what they are, who is taking them, and the success rates of these courses. The Clearinghouse does not have this information; our understanding is that the LDS will have it. For now, getting it directly from the schools is ISAC's only option.

Better information on institutional aid is also necessary. There is at least \$1 billion in institutional aid in Illinois (almost as much as Pell). Very limited information is available about how much of the aid is merit-only and how much is need-based, or how this aid dovetails with state and federal aid. State programs might be made more efficient if ISAC had better information about on how institutional aid is distributed.

ISAC can work through the ILASFAA MAP Formula Committee or another ILASFAA committee to develop guidelines for these data should it become necessary.

SJR 69 Goals and Concepts – How did the task force address them?

The primary goal of the task force was spelled out quite clearly in the opening paragraphs of SJR 69: “ISAC shall convene a task force to deliberate options for the adoption of new rules for MAP... with the goal of improving the outcomes for students who receive these awards...” This goal ties in nicely with the “60 by 2025 goal” to have 60 percent of the Illinois workforce with a quality postsecondary credential by 2025. It is also supportive of the state’s goal to reduce achievement gaps to less than 10 percent.

The improved outcomes were not explicitly defined but the remainder of resolution repeatedly mentions completion; increased completion must be considered an “improved” outcome. Completion depends on students being adequately prepared, having sufficient financial resources, and having academic and financial support available for these often first-generation students who can have difficulty navigating the higher education system. Other improved outcomes could be shortened time-to-degree and reduced higher education debt.

Other goals specified later in the resolution included:

- Improve partnerships between state and institutions as they provide both financial assistance and academic support to MAP recipients
- Improve the overall effectiveness of MAP grants in helping students of need not only enter college, but complete a desired program
- Recognize that all colleges and universities are different and the different natures of their student populations and their varying missions must be recognized as inherently good and valuable and the new rules should not alter, nor have an adverse impact on, an institution’s mission.

In addition to goals, the resolution mentioned several concepts to be considered during the task force process:

- Basing institutional eligibility for MAP grants, in part, on an institution’s ability to improve its MAP-grant students’ progress toward a degree or its MAP-grant degree completion rate
- Basing a student’s eligibility for a MAP grant, in part, on the student’s ability to demonstrate that he or she is achieving academic success and making progress
- Basing institutional eligibility for MAP grants, in part, on an institution’s ability to demonstrate that it is a partner with this state and the institution is providing financial aid to students from its own resources

Did the task force initiate changes that would improve the outcomes of MAP recipients? The answer is a qualified “yes.” The task force clearly felt that access had to take precedence over completion. Many of the tools used to “incent” completion such as high school grade point averages or rank, or standardized test scores such as ACT, were considered to be too inaccurate, discriminatory, or too hard to administer. Very low-income students coming from poor high schools can often be denied access to college using standard admissions criteria which do not accurately measure their potential. In addition, new federal

satisfactory academic progress (SAP) rules have just been put in place, tightening up eligibility for both federal and state programs (since MAP follows the federal rules), and task force members thought they should have time to work. But task force members did feel that small restrictions such as a time-out for students who have had a chance to attend college but failed was an appropriate policy and could help the student preserve MAP eligibility for a time when they were better prepared to use it.

MAP already has two significant constraints in place: a 135 hour total MAP cap and a 75 hour cap at two-year institutions. Most two-year programs require at least 60 hours of study and the minimum for a four-year degree is 120 semester credit hours. MAP allows students to take 75 hours at a community college, preserving 60 hours to complete a bachelor's program. The extra 15 hours can be used for remedial classes or a change of majors or to fulfill requirements for a program that exceeds 120 credit hours.

It should be noted that MAP is not "broken." It is a program that has produced good results – Illinois is in the top ten in workforce attainment rates. Nearly all states with high attainment rates have large, need-based grant programs with no merit component. These states all rely on broad access to increase the number of credentials in their workforces.

Challenges to completion were viewed as "broader than MAP" by the task force. Improvements in preparation and persistence are needed for many Illinois students, regardless of income. It should be noted once again that MAP recipients graduate at the same rate as other students at the same schools.

The idea of improving partnerships with the state was embraced by the task force and appears in the form of a recommendation to form a committee to study how to implement an advising program for MAP recipients at each MAP-eligible school. This was based on data, both statewide and nationally, indicating that such programs do aid in the retention of MAP recipients and other at-risk students. Since schools know their students best, any program would be designed with considerable flexibility at the school level to expand upon an existing program or make changes necessary to serve its student population. This would be respectful of the varying missions of schools and their student populations.

Data reported to the Integrated Postsecondary Education Data System (IPEDS) indicate that MAP-eligible schools in Illinois usually give out significant financial aid and are partners with the state in the delivery of that aid. Schools often "fill in" with additional funds or tuition waivers after all state and federal grant aid is disbursed. The state could use better data to determine who is getting the aid and how much of it is need-based vs. merit. Schools providing additional data about institutional aid could better demonstrate these partnerships.

The task force did examine scenarios that excluded sectors from participation in MAP or ranked schools and then adjusted their awards or excluded them from MAP based on differences in a few school characteristics such as graduation rates, three-year cohort default rates (CDRs) and percentage of Pell recipients in the student body. The rankings were highly sensitive to the assumptions being made and none were perceived as having clearly better outcomes than the existing rules. Also, programs that attempt to draw arbitrary lines to determine inclusion in state or federal programs have been running into

legal trouble. The federal government just lost one battle and California has just been sued over a program it implemented this year.

Conclusion

- The task force looked at a substantial number of possible changes to MAP. None was determined to be significantly better than the existing program. MAP is a successful program and has been one for over forty years. Illinois has a high rate of postsecondary credential attainment among its workforce and MAP has contributed to achieving that status.
- Some changes need to be made to the Illinois higher education environment that are beyond the scope of MAP. As one task force member said, “You can’t cure all problems with MAP.” Postsecondary program completion is an issue that extends beyond just MAP recipients to all students. Completion is a complex issue and involves pre-college academic preparation; college program coordination; and financial planning, access to adequate information, advising and support for parents and students.
- The single biggest problem with MAP is inadequate funding. Regardless of the way MAP funds are distributed given current underfunding, a large number of eligible students who could be successful in college will be denied MAP grants.
- The task force believes that increasing access is a more important goal for MAP than increasing graduation rates; either path can increase the total number of credentials in the workforce and move us toward the 60 percent by 2025 goal. A focus on access is also critical to supporting the state goal of reducing achievement gaps to less than 10 percent. The task force felt that MAP should focus on access; completion was a broader issue concerning all students.
- The issue of independent students who file later in the process receiving no MAP grants is important to the task force, but finding the funds to extend processing was problematic.

The beginning of this report has some questions that we asked before looking at any MAP allocation rationing mechanisms. By the end of the meetings, the task force had some answers.

Are enough students receiving aid?

Currently only half the MAP-eligible students receive an award. Can the program do better than that? The only way it can serve more students without more funding is to take aid away from students receiving larger awards and give those dollars to community college students. This will result in more students getting more awards but will not necessarily get the state the prize it desires – more graduates. Students who attend community colleges are about half as likely to graduate as those that attend four-year institutions, and until that problem is understood and corrected, increasing the number of community college MAP recipients at the expense of students attending four-year institutions will not necessarily lead to more college credentials.

Are the right students receiving aid?

There is tension here between serving the neediest students and serving those students with need who are most likely to complete. Academic preparation tends to correlate with income, so lower-income students generally have more hurdles to completion. The resolution asks the task force to consider ways to distribute aid to enhance completion and maintain access.

What the task force found is that the right students are receiving aid, but there are more “right” students than there is aid. Aid can be taken away from one student and given to another, but it is difficult to characterize one student as more deserving than another. Is one student more deserving because she is poorer than the next, even though both have considerable need? Is one student more deserving than another because she filed her FAFSA one day sooner? Is one student more deserving than another because she scored slightly higher on a standardized test that is a relatively poor measure of future performance?

Is the level of aid sufficient to change behavior?

If awards are reduced too far, they will be insufficient to cover enough of the costs for lower-income students to mount the considerable financial hurdle these students face. Currently, students attending four-year institutions in the lowest two income quintiles have remaining need (defined as uncovered costs after the family’s EFC and all state and federal grant aid is accounted for) in excess of what a subsidized Stafford loan will cover. ISAC has seen its MAP claim rates decline every year for the past five years. It is clear that we have reached or are near the tipping point where the MAP grant will be too small to incent even college attendance much less completion.

And, finally, *every change made to MAP has to be good for students, good for taxpayers, and administratively feasible.* The changes that have been proposed are administratively feasible and should lead to better outcomes for students and taxpayers. The analysis performed by the task force indicates that MAP is a good value for the state and the minor adjustments proposed should enhance that value.

Special Acknowledgement

The MAP Task Force wishes to recognize the contributions made by Illinois Student Assistance Commission staff in facilitating and informing our deliberations and report to the General Assembly. Their efforts to remain independent arbiters and their subject matter expertise allowed the Task Force to better identify and focus on the key challenges facing the Monetary Award Program. Staff demonstrated solid working knowledge of the complex and nuanced issues surrounding the delivery of need-based financial aid to students seeking to continue their education. Further, they shared with the task force members a commitment to assisting students and their families as they struggle to overcome the high costs associated with postsecondary education. Finally, through modeling over 100 scenarios for program changes, ISAC staff provided the Task Force with understanding and insights regarding the outcomes (and unintended consequences) likely to accompany programmatic changes. The staff's data collection and analytic expertise, coupled with the agency's practical experience, have been important to the Task Force in making fact-based recommendations through an inclusive and fair process.