

## ***FY17 ISAC Grant Survey: How are colleges and universities handling MAP during the budget delay?***

### **Background:**

The absence of a final state Fiscal Year 2017 (academic year 2016-17) appropriation to fund the Monetary Award Program (MAP) has caused unprecedented uncertainty among affected students and institutions. As a result, the Illinois Student Assistance Commission (ISAC) has received questions from students, policy-makers, reporters, and from many institutions regarding how their colleagues around the state are handling this delay. To help ISAC respond to these questions and better describe the impact of the budget delay on students and institutions, financial aid administrators at all 132 MAP-approved schools were asked to complete a voluntary online survey in late October 2016. After approximately two weeks, and one reminder message, 96 schools completed the survey, for an overall response rate of 73 percent. Seventy-four schools identified their sector, and of those, 11 of 12 public universities responded to the survey, 26 of 48 community colleges responded, and 37 of 72 private institutions responded (including 4 of 9 proprietary schools surveyed). *Although 50 percent or more of each sector responded, small survey populations require nearly all participants to respond for valid and representative results. Survey findings should, therefore, be viewed with caution.*

### **Summary of Survey Findings:**

#### **FY2017 First Term Awards**

##### ***Overall***

- Sixty percent of institutions that responded (57 of 95 schools) indicated they credited (or listed as pending) the *full* MAP award to student accounts for first term. **It is important to note that institutions that are crediting student accounts for MAP or listing the award as pending are doing so with the expectation that they will receive payment for MAP from the state.** Forty percent of institutions that responded reported they did not credit (or list as pending) the *full* MAP award for first term. Those that did not credit the full award either credited (or listed as pending) a partial award or no award at all.
  - Of the 40 percent who indicated they did not credit student accounts for the full award, 41 percent reported they reduced awards by more than 50 percent. The remaining respondents indicated this question was not applicable to them.

- Financial aid refunds relate to portions of financial aid that are refunded to students to pay other costs of attendance, like books, transportation costs, living costs, etc. Of the 60 percent of respondents who indicated they credited (or listed as pending) full MAP grants for first term, 51 percent reported they disbursed the expected refund, 19 percent indicated they withheld all or part of the expected refund, 23 percent reported the question was not applicable, and 7 percent (5 respondents) indicated “Other” with regard to any refund. Three of these 5 respondents commented that refunds will not be disbursed until funding is finalized and received, and one respondent said they are reviewing refund requests on a case-by-case basis.
- Of the 60 percent of respondents who indicated they credited (or listed as pending) full MAP grants for first term, 18 percent reported they will require the student to pay any shortfall that occurs if MAP funding is ultimately reduced, 31 percent will not, 32 percent indicated they are undecided as to whether they will require students to pay any shortfall, and the remaining 19 percent indicated the question was not applicable to them.
- Of the 60 percent of respondents who indicated they credited (or listed as pending) full MAP grants for first term, who also indicated they will either require the student to pay any shortfall that occurs if MAP funding is ultimately reduced or were undecided if they will require the student to pay any shortfall, 55 percent reported that an unpaid balance will prevent a student from enrolling in a subsequent term, 58 percent indicated the unpaid balance will prevent a student from transferring (with transcript sent from the institution), and 35 percent reported it will prevent the student from graduating.

### **By Sector**

- Ninety-one percent of public university respondents credited (or listed as pending) student accounts for the *full* MAP award, and 82 percent indicated they disbursed any expected refund. Sixty-four percent of those respondents were undecided about whether they will require a student to pay any shortfall if MAP funding is ultimately reduced, and 27 percent reported they will not require a student to pay any shortfall. Eighty-six percent of public university respondents reported that a MAP funding shortfall, resulting in an unpaid balance, will prevent a student from enrolling in a subsequent term or transferring (with a transcript), and 57 percent indicated it will prevent the student from graduating at their respective institution.
- Twenty-seven percent of community college respondents reported they credited (or listed as pending) the *full* MAP award to student accounts for first term, and of those, 100 percent indicated they disbursed any expected refund. Of those who reported they did not credit the full award, 21 percent reported they reduced awards by more than 50 percent, and the remaining 79 percent indicated the question was not applicable. Thirty-three percent of those respondents will not require a student to pay any shortfall if MAP funding is ultimately reduced, 20 percent will, 7 percent were undecided, and 40

percent reported the question was not applicable to them. Sixty percent of community college respondents reported that a MAP funding shortfall, resulting in an unpaid balance, will prevent a student from enrolling in a subsequent term or transferring (with a transcript), and 40 percent indicated it will prevent the student from graduating at their respective institution.

- Seventy percent of private institution respondents reported they credited (or listed as pending) the *full* MAP award to student accounts for first term. Thirty-three percent indicated they disbursed any expected refund, 33 percent withheld all or part of any expected refund, 10 percent indicated “Other”, and the remaining 23 percent reported the question was not applicable. Thirty-seven percent of those respondents were undecided about whether they will require a student to pay any shortfall if MAP funding is ultimately reduced, 30 percent reported they will not require a student to pay any shortfall, 23 percent will, and 10 percent reported the question was not applicable. Thirty-nine percent of private institution respondents reported that a MAP funding shortfall, resulting in an unpaid balance, will prevent a student from enrolling in a subsequent term, 44 percent indicated it will prevent the student from transferring (with a transcript), and 22 percent indicated it will prevent the student from graduating at their respective institution.

## FY2017 Second Term Awards

### Overall

- One-third of institutions that responded to this question (26 of 88 schools) indicated they do not plan to credit (or list as pending) student accounts for the *full* MAP grant award for second term, and 17 percent of respondents indicated they are undecided with regard to whether they will credit the *full* MAP grant award for second term. The remaining 53 percent (47 schools) plan to credit the *full* MAP grant award to student accounts for the second term.
  - Of the 47 percent who indicated they do not plan to credit student accounts for the full award or are undecided, 15 percent reported they plan to reduce awards by more than 50 percent, and 26 percent were undecided about the size of the reduction. The remaining 59 percent of respondents indicated this question was not applicable to them.
- Financial aid refunds relate to portions of financial aid that are refunded to students to pay other costs of attendance, like books, transportation costs, living costs, etc. Of the 70 percent of respondents who indicated they plan to credit (or listed as pending) MAP grants for second term (53%) or are undecided about whether they will credit MAP grants for second term (17%), 39 percent reported they plan to disburse the refund, 19 percent indicated they plan to withhold all or part of the refund, 23 percent were

undecided, 15 percent reported the question was not applicable, and 5 percent (3 respondents) indicated “Other” with regard to any refund. Two of these respondents commented that refunds will not be disbursed until funding is finalized and received.

- Of the 70 percent of respondents who indicated they plan to credit (or listed as pending) MAP grants for second term (53%) or are undecided (17%), 26 percent reported they will require the student to pay any shortfall that occurs if MAP funding is ultimately reduced, 23 percent will not, 35 percent indicated they are undecided as to whether they will require students to pay any shortfall, and the remaining 16 percent indicated the question was not applicable to them.
- Of the 70 percent of respondents that indicated they plan on crediting MAP grants for second term (53%) or are undecided (17%), 43 percent of respondents indicated that if a student does not pay any MAP funding shortfall, resulting in an unpaid balance, the unpaid balance will prevent a student from enrolling in a subsequent term, 44 percent indicated the unpaid balance will prevent a student from transferring (with transcript sent from the institution), 28 percent reported it will prevent the student from graduating, and another 23 percent are undecided how any MAP funding shortfall will affect the student. Thirty-three percent of respondents indicated the question was not applicable to them.

### **By Sector**

- Sixty-four percent of public university respondents reported they plan to credit (or listed as pending) the full MAP grant award to student accounts for first term, 9 percent do not plan to credit MAP grants, and 27 percent were undecided as to whether they will credit (or list as pending) MAP grants. Of those respondents who plan to credit MAP grants or who are undecided, 55 percent indicated they plan to disburse any expected refund, 9 percent plan to withhold all or part of the expected refund, and 36 percent reported they are undecided. Seventy-three percent of those respondents were undecided about whether they will require a student to pay any shortfall if MAP funding is ultimately reduced, 18 percent will require the student to pay the shortfall, and 9 percent reported they will not require a student to pay any shortfall. Ninety percent of public university respondents reported that a MAP funding shortfall, resulting in an unpaid balance, will prevent a student from enrolling in a subsequent term, or transferring (with a transcript), and 70 percent indicated it will prevent the student from graduating at their respective institution.
- Thirty-nine percent of community college respondents reported they plan to credit (or listed as pending) the *full* MAP grant award to student accounts for first term, 42 percent do not plan to credit MAP grants, and 19 percent were undecided as to whether they will credit (or list as pending) MAP grants. Of those respondents who plan to credit MAP grants or who are undecided, 33 percent indicated they plan to disburse any expected refund, 27 percent reported they are undecided, 7 percent indicated “Other”,

and 33 percent indicated the question was not applicable to them. Of the 42 percent who do not plan to credit the full MAP award, 13 percent indicated they plan to reduce the award by more than 50 percent, 13 percent were undecided, and the remaining 75 percent reported the question was not applicable. Twenty percent of those respondents were undecided about whether they will require a student to pay any shortfall if MAP funding is ultimately reduced, 27 percent will require the student to pay the shortfall, 13 percent reported they will not require a student to pay any shortfall, and 40 percent reported the question was not applicable to them. Seventy-eight percent of community college respondents reported that a MAP funding shortfall, resulting in an unpaid balance, will prevent a student from enrolling in a subsequent term, or transferring (with a transcript), and 33 percent indicated it will prevent the student from graduating at their respective institution.

- Sixty-five percent of private institution respondents reported they plan to credit (or listed as pending) the *full* MAP grant award to student accounts for first term, 30 percent do not plan to credit MAP grants, and 5 percent were undecided as to whether they will credit (or list as pending) MAP grants. Of those respondents who plan to credit MAP grants or who are undecided, 27 percent indicated they plan to disburse any expected refund, 35 percent plan to hold all or part of the expected refund, 19 percent reported they are undecided, 8 percent reported “Other”, and 12 percent reported the question was not applicable. Of the 30 percent who do not plan to credit the full MAP award, 15 percent indicated they plan to reduce the award by more than 50 percent, 31 percent were undecided, and the remaining 54 percent reported the question was not applicable. Twenty-five percent of those respondents were undecided about whether they will require a student to pay any shortfall if MAP funding is ultimately reduced, 29 percent will require the student to pay the shortfall, 38 percent reported they will not require a student to pay any shortfall, and 8 percent reported the question was not applicable. Twenty-nine percent of public university respondents reported that a MAP funding shortfall, resulting in an unpaid balance, will prevent a student from enrolling in a subsequent term, 41 percent indicated it will prevent a student from transferring (with a transcript), and 24 percent indicated it will prevent the student from graduating at their respective institution.

## **FY2017 Overall**

- Thirty schools (31% of all respondents) provided additional information/feedback with regard to the delay in FY17 funding that they felt was not addressed in the previous questions, covering increases in loans, financial strain and sacrifice at institutions, confusion and the need for reassurance among students, retention of MAP students, etc.:

### **Increases in Loans for Students and Other Financial Impacts:**

*“Many students have opted to borrow a student loan to help with education related expenses due to the lack of MAP funding.”*

*“[MAP] could make the difference in determining if a loan is needed or they will have enough grant funding to cover books, fees and transportation costs to attend school. Most students do not want to take a 500 or 600 loan to cover these costs. The average MAP award [at our institution] is 570 per term which allows for Pell awards to cover the in-direct costs of attending. . . This could impact 404 fall students and an estimated 385 spring students. ”*

*“Some of the poorest students in the Illinois college system attend [our institution]. They rely on federal and state grants for not only tuition, but also books and supplies, bus passes, childcare, and food. At this time, we continue to front the MAP Grant because it is essential to our students’ success. From a fiscal standpoint, we cannot continue to front these funds. When that determination is made, more students will need to pursue student loans, if not already taking out loans, or discontinue their education.”*

*“Student Impact - Students are being challenged to cover all of their expenses with the MAP funds being absent. This is causing many of them to take on additional debt through the loan process to start their semesters.”*

*“The delay is definitely affecting students and the institution. Students residing off-campus count on their credit balances to help with rent and living expenses. We have had students take out more in student or parent loans to make up for the difference which is not good.”*

*“The delay is hard for our students who depended on the Pell grant to help meet the additional educational expenses such as transportation, technology cost, etc. By not having the MAP grant students have to use the Pell grant to cover tuition and fees now.”*

### **Financial Strain, Sacrifice, and Other Impacts at Institutions:**

*“Although our decision was made to cover the MAP Grant whether or not it was funded by the state, this is a tremendous financial sacrifice for our institution. However, we felt it was important for students to feel some sense of financial relief knowing the cost of education for the year will not increase should the MAP Grant decrease or not get funded at all.”*

*“As a small, non-profit school,. . . [we] could not afford to float or credit the funds to student's accounts and release stipend checks on the off chance we were to not be paid and unable to recover the shortfall amounts.”*

*“Delay has created more manual processing within the financial aid office, as awards must be loaded manually and modified so they do not disburse. When funds are finally received, it will be a manual process to disburse the funds and refund students. The longer it goes, the more*

*likely it will be that students change addresses and bank account information so their refunds may not reach them in a timely manner. Students are not getting the funds during the semester when they need them, and Pell Grants and student loans are covering the shortfall. This is not the way it's supposed to work!"*

*"It is [our] expectation that the state will ultimately provide full funding for MAP awards. While [we] made a commitment for the current academic year, this is not financially sustainable in the long term. In the current academic year, total MAP enrollment at [our institution] is down 10%."*

*"[Our] Educational Foundation provided \$225,000 which we have used to fund 141 students. If funding is received from the state of IL, the money will be returned to the Foundation."*

*"Our institution has not had any discussions regarding FY2018 (2017-18 academic year) and Financial aid packages to incoming students will start going out next month...we know, per state regulations, we must include the MAP grant on the financial aid package, so it will be included...but in terms of whether or not the institution will cover any shortfall in 2017-18, that has not been discussed yet."*

*"Since we have credited the students, it affects [our] bottom line."*

*"Institutional Impact - With late notification of MAP funding we experience additional workloads to stay in compliance with the awarding process. This also impacts the compliance of federal and state regulations. For instance if a late award is done 1098T forms could be incorrectly being issued to students. In addition, some institutions have already closed years and have to do modifications to financial records."*

*"There has been no delay to students or customer service. The severe strain is on the university budget."*

*"We have not determined if we will post MAP as pending for the 2018-19 year, if we have not been paid for the 2016-17 year."*

*"We just want to know what is happening so we can inform our students as quickly and correctly as possible."*

*"There was not a better option to mark for the question about what the school will do if students are required to repay a portion of the award. We will not hold up future registration because we will work with the family to find a payment arrangement that works for them. We will give them grace as far as having the balance paid before registration."*

*"MAP eligible students are not dropped for unpaid balances. To date, students have not expressed any dissatisfaction with the colleges handling of the MAP Grant program."*

### **Confusion and the Need for Reassurance among Students:**

*“Obviously the situation last year and being repeated this year with no budget has caused concern to our students who rely on the MAP grant to attend college. This is why we felt the need to assure them that we will cover the grant if the State doesn't so we don't lose them as students. This, of course, causes our college much concern because we will then be required to fund raise to cover this commitment, which is not easy. We also know that the State truly values the importance of the MAP grant to the IL students and are optimistic that the funds will be appropriated for college education for the most needy of students, as they eventually were last year.”*

*“MAP was disbursed too late in 2015-2016 for both the fall and spring semesters to assist students with their education-related expenses. It was more like a reimbursement for expenses already incurred. For financial aid to be effective, it has to be available when the expenses are occurring. Unfortunately we are in the same pattern for 2016-2017.”*

*“Students are extremely upset at the ambiguity. They are frustrated about having to make alternate plans (such as budgeting cash payments or borrowing alternative loans) when their shortfall may be covered by the MAP grant, but we can't tell them for sure.”*

*“The College being required to notify students of their potential MAP award when there is no funding is confusing for students. Even with clearly stated messages about no MAP funding - we received many phone calls and emails asking for clarification.”*

*“The students need certainty and predictability.”*

*“Uncertainty is the biggest problem. Students do not understand why they are being played. They are making decisions based upon what the media says and that means not going to college or leaving the State to attend college based upon access to funds.”*

*“We are including MAP in their award packages but are not crediting it to student accounts. This causes confusion and questions for students, even though we have sent emails regarding MAP. Students are using Pell funds to cover tuition costs usually covered by MAP. This means less aid is available for indirect expenses. Students fill this gap by working more hours or taking out loans.”*

### **Retention of MAP Students:**

*“Close to half of our students have received MAP awards and without those many will be unable to continue their education without these funds. Our college educates nurses and healthcare professionals and over 95% of our graduates stay in Illinois to practice thus providing healthcare to our citizens. In addition 50% of our students are first generation who are at great risk financially and socially. A reduction of funds will put pressure on these students causing great*



*risk of having to leave the institution. Thus increasing the chance that they will need financial support from the state.”*

*“Not just the loss of MAP but some students have chosen to go other places or not go at all.”*

*“We had students during 2015-2016 Academic Year who were concerned that without MAP they would be unable to return to school in the spring related to lack of monies. Therefore, it affects the nursing work force of rural Illinois and quality of care in our region due to 60% of our graduates remaining in our area to practice nursing.”*

*“There is still considerable anxiety and loss of MAP funding will definitely impact enrollment, which translates to further loss of funding and negatively reflects in our retention and graduation rates/student success measures. MAP is about \$34M per year for [our institution] and a critical source of funding for our students and institution. Loss of MAP will most definitely impact our access mission and underrepresented students the hardest.”*