MUS Financial Aid Report, 2008

PURPOSE: The purpose of this report is to respond to a request by the legislative interim committee, Post-secondary Education Policy and Budget (PEPB), and Legislative Finance Committee (LFC).

LEGISLATIVE REQUEST: Develop a comprehensive report on student financial aid, providing findings and recommendations for achieving share policy goals.

DATA SOURCE: MUS Student Data Warehouse (newly developed Financial Aid portion), does not include comm. colleges

Shared Policy Goals

**Increase the percentage of students receiving financial aid.**

- All forms of aid (including loans)
- Grants, Scholarships, Waivers, Workstudy

![Percentage of students receiving financial aid over years](image)

**Increase the average amount of state funded aid per student FTE.**

![Average state funded aid per student FTE](image)

Montana provides approximately half the amount of need-based aid per student in comparison to the average in the western states.

**Decrease the amount of “unmet” student need.**

Students Attending MSU & UM, 2006-07

<table>
<thead>
<tr>
<th>Cost of Attendance</th>
<th>Unmet Need</th>
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</thead>
<tbody>
<tr>
<td>($15,500)</td>
<td>$10,120</td>
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- Avg. Aid, not including loans: $4,380
- EFC of Pell Recipients: $924

Total Unmet Need for Pell Grant Recipients, 2006-07 = $70 million

Trends & Analysis

**Total Financial Aid**

(loans, scholarship, grants, waivers, & work study)

- FY07 Total Financial Aid = $239 million

Federal
- $178 million

State
- $9.5 million

Institutional
- $39 million

Other/Private
- $12.7 million

Note: $24M in waivers included under institutional, but partially funded by state

Total financial aid increased by 47% from FY02 to FY07

Federal aid experienced the largest numerical increase, while aid obtained from private sources witnessed the greatest percentage increase.

*includes WICHE/WWAMI
Need vs. Non-need Based Aid

**Need-based Aid (def.):** awards made based on the financial need of the student and his/her family.

**MUS Need Based Financial Aid**
2006-07

- Grants: $37.5 million
- Work Study: $2.8 million
- Scholarships: $4 million
- Loans: $79.6 million

$115 million of Need Based aid disbursed in 2006-07

**MUS Non-Need Based Aid**
2006-07

- Loans: $77.5 million
- Grants: $103,796
- Work Study: $659,966
- Scholarships: $21.6 million
- Waivers: $24.4 million

$124 million of non-need based aid disbursed in 2006-07

- From 2002 to 2007, non-need based aid increased by $60 million, while need-based aid grew by $16 million.
  - Without factoring in loans, non-need based aid increased by $20 million, while need-based aid grew by $6 million.
- Over $37 million is awarded in need based grants, approximately:
  - $34 million from the federal government;
  - $3 million in state funds; and
  - $1 million from private/other sources.
- $4 million disbursed in need based scholarships ($3 million from institutional sources)
- From 2002 to 2007, state funded need based aid increased by $1.6 million

State Funded Aid

**State Financial Aid (MT Total)**
2007-08
(including CC’s and Tribal Colleges)

Note: $24M in waivers included under institutional, but partially funded by state

- WICHE/WWAMI: $5,057,719
- Governor's Scholarship: $1,505,000
- MTAP: $2,018,775
- MHEG: $508,414
- Perkins Match: $149,873
- SEOG Match: $506,338

State Funded Financial Aid in FY08 = $10.6 million

- From 2001 to 2008, total state funded financial aid increased by nearly $3 million.
  - The Governor’s Postsecondary Scholarship accounted for half of the $3 million increase.
- MTAP & MHEG (combined) increased by almost $700,000.

Recommendation/Options

**Short-term Options**

**Option 1: Increase Need Based Aid**

*Recommendation:* Add funds to existing state funded, need based programs (MTAP, MHEG, or Governor’s Postsecondary Scholarship).

**Option 2: Increase Non-Need Based (Merit) Aid**

*Recommendation:* Increase funding for Governor’s Postsecondary Scholarship.

**Long-term Options**

- Measure & track student debt load and set benchmarks regarding student loan levels to obtain postsecondary degrees at MUS institutions;
- Create a process that links tuition levels with student debt load and the availability of grants and scholarships (state and federal); and
- Work to reduce “unmet” need by augmenting state grant and scholarship programs that leverage federal funds,