Materials for Discussion

• Financial Aid Data Update
  – Primary reference for today
  – FY 2007-FY 2013 Data

• Supplemental Salary and Loan Info
  – Information about average debt and payment terms
  – Starting and Mid-Career Salaries
  – Federal Programs

• October 2012 Financial Aid Report
  – FY 2007-FY 2011 Data
Financial Aid Report Background

• Provides overview of financial aid picture

• Updates the December 2004 Financial Aid Task Force Recommendations
  – Institutions implemented in FY 2006

• Last report in October 2012 focused on progress from 2004-2011
2004 Financial Aid Task Force
Recommendations

- Decrease student loan debt burden (1)
- Improve balance between need-based and non-need-based institutional aid (2 & 4)
- Increase percent of need met (3)
- Increase aid for Maryland community college transfer students (5)
- Strengthen graduate/first-professional student aid (6)
Recommendation 1 (Pages 4-5) – Decrease Student Debt Burden

- Fall 2007 Freshmen graduating in 6 years (Table 2a):
  Pell: $26,744 (26.5% less)
  Non-Pell: $36,407

- FY 2010 MDCC Transfers graduating in 4 years (Table 2b):
  Pell: $21,477 (4.4% less)
  Non-Pell: $22,456

Assessment: Freshmen Pell students continue to graduate at the recommended lower debt. Transfer students have much less debt overall.
Recommendation 2 (Page 6) –
Target Institutional Funds to Need-Based Aid

– 39% of institutional aid was need-based in 2013 up from 29% in 2004 (Table 3)

– 61% of institutional aid was non-need in 2013 down from 72% in 2004 (Table 3)

Assessment: Progress made but must continue need-based commitment
Recommendation 3 (Page 7) – Tie Goals for % of Need Met to Peers

– Most USM institutions fell below 75th percentile of peers in percent of need met for undergraduates

Assessment: Progress not being made

Questions to consider: Does this conflict with the goal to reduce debt?
Are more need-based institutional aid awards needed?
Recommendation 4 (Page 8) – Target Institutional Funds to Need-Based Aid

– Similar to Recommendation 2

– Growth in institutional aid was disproportionately shifted to need-based aid for most institutions (Table 5a)

Assessment: Progress made but “balance” may mean different proportions at different institutions
Recommendation 5 (Pages 9-10) –
Increase Aid to MDCC Students

- Related to balancing institutional aid programs in Recommendation 4
- More Maryland community college transfers are recipients of need-based and merit-based awards (Table 5c) although freshmen continue to dominate institutional aid awards (Table 5b)
- Increasing percentage of Freshman and Transfer received a Pell Grant and some institutional aid (Table 6)

Assessment: Progress being made but need to continue commitment to MDCC students given cohorts are increasing in size

Current development: The new "2+2" grant program will provide $1,000/yr for general majors and $2,000/yr. for STEM majors. HB1215/SB0785 hearings on 3/5/14
Recommendation 6 (Page 11) – Strengthen Graduate/1st Professional Student Aid

- Graduates continue to get an increasing proportion of the low-interest Perkins loans (Table 6).

- However, the total funds available are decreasing ($12M to $6.5M).

- Graduate loans have increased to nearly $500M per year.

Assessment: Impact minimal – suggest exploring alternative strategies
Discussion Questions

• “Reasonable Amount of Debt”
  – Is any debt acceptable? How much?

• Institutional Aid Balance
  – Is the proportion of need-based aid appropriate?
  – Are aid programs for MDCC Transfers adequate?

• Percentage of need-met
  – Are peer institutions the best measure?
  – How does Cost-of-Attendance impact?

• Explore alternative strategies to lower graduate/first professional student debt and/or interest rates