



BOARD OF REGENTS

**SUMMARY OF ITEM FOR ACTION,
INFORMATION, OR DISCUSSION**

TOPIC: Financial Aid

COMMITTEE: Education Policy and Student Life

DATE OF COMMITTEE MEETING: March 11, 2014

SUMMARY: Financial aid has been identified as a critical issue for the Board of Regents this academic year. During the Board retreat on October 3, 2013, Board Chairman, Jim Shea, requested that the Education Policy and Student Life Committee examine the full complexities of financial aid and return with recommendations as to how the Board can address financial aid in ways that will assist students in their efforts to enroll in and persist through USM institutions.

On March 4, 2014, the Committee convened a special meeting dedicated to financial aid. During the meeting, the Committee was briefed about progress that has been made toward recommendations presented in the FY 2004 Report of the Financial Aid Task Force. Today, the Committee will continue the discussion and planning for a presentation to be made to the Committee of the Whole during its June 2014 meeting.

ALTERNATIVE(S): This is an information item only.

FISCAL IMPACT: This is an information item only; there is no fiscal impact associated with this item.

CHANCELLOR'S RECOMMENDATION: This is an information item only.

COMMITTEE RECOMMENDATION: Information Only **DATE:** March 11, 2014

BOARD ACTION: **DATE:**

SUBMITTED BY: Joann A. Boughman 301-445-1992 jboughman@usmd.edu



Financial Aid Task Force Recommendations – Follow Up Discussion

Education Policy and
Student Life Committee
March 11, 2014

*Prepared by Institutional Research
Office of Administration and Finance/
Chief Operating Officer*



Background

- During the March 4th EPSL financial aid meeting, USM staff provided an assessment of the System's progress on recommendations from the 2004 Financial Aid Task Force Report.



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

Assessment:

➤ *Freshmen Pell students continue to graduate at the recommended lower debt. Transfer students have much less debt overall.*

Next Steps:

➤ *Gather data to compare debt burdens for in-state and out-of state students.*

Policy Question:

➤ *Is any debt acceptable? How much?*



Recommendations 2 & 4 (Pages 6 and 8) – Target Institutional Funds to Need-Based Aid

Assessment:

- *Progress made but must continue need-based commitment; “Balance” may mean different proportions at different institutions.*

Next Steps:

- *Determine proportion of performance-based aid that is awarded to students with need.*

Policy Question:

- *Is the proportion of need-based aid appropriate?*



Recommendation 3 (Page 7) – Tie Goals for % of Need Met to Peers

Assessment:

- *Progress not as expected; seems to conflict with Recommendation 1.*

Next Steps:

- *Meet with financial aid directors to discuss what other metric(s) could provide a more informative assessment of institution performance in the area of % of need met.*

Policy Questions:

- *Are peer institutions the best measure?*
- *Are more need-based institutional aid awards needed?*
- *How does Cost-of-Attendance impact?*



Recommendation 5 (Pages 9-10) – Increase Aid to MDCC Students

Assessment:

- *Progress being made but need to continue commitment to MDCC students given cohorts are increasing in size.*

Next Steps:

- *Further pursue 2+2 Transfer Program in Legislature.*

Policy Question:

- *Are aid programs for MDCC Transfers adequate?*



Recommendation 6 (Page 11) – Strengthen Graduate/1st Professional Student Aid

Assessment:

- *Impact minimal - suggest exploring alternative strategies.*

Next Steps:

- *Examine data to understand differences in aid to students in masters, doctoral, and professional programs.*
- *Meet with financial aid directors to explore strategies, including advocacy at the state and federal levels, to address this recommendation.*
- *Examine institution (USM & national) and federal strategies and distribution of aid.*

Policy Question:

- *Explore alternative strategies to lower graduate/first professional student debt and/or interest rates.*



Next Steps

Late April - Early May

- *USM staff will follow up on recommendations next steps and draft a report to be presented to the Committee.*
- *If needed, hold a conference call to discuss concerns regarding draft report.*

June 3, 2014 - EPSL Meeting

- *Final discussions and vote on report to be submitted to the full BOR.*

June 27, 2014 - Full BOR Meeting

- *Presentation of report to Full BOR.*