



USM Institutional Aid: Issues and Strategies for Using Institutional Aid to Increase Degree Completion

Board of Regents Retreat
October 3, 2013

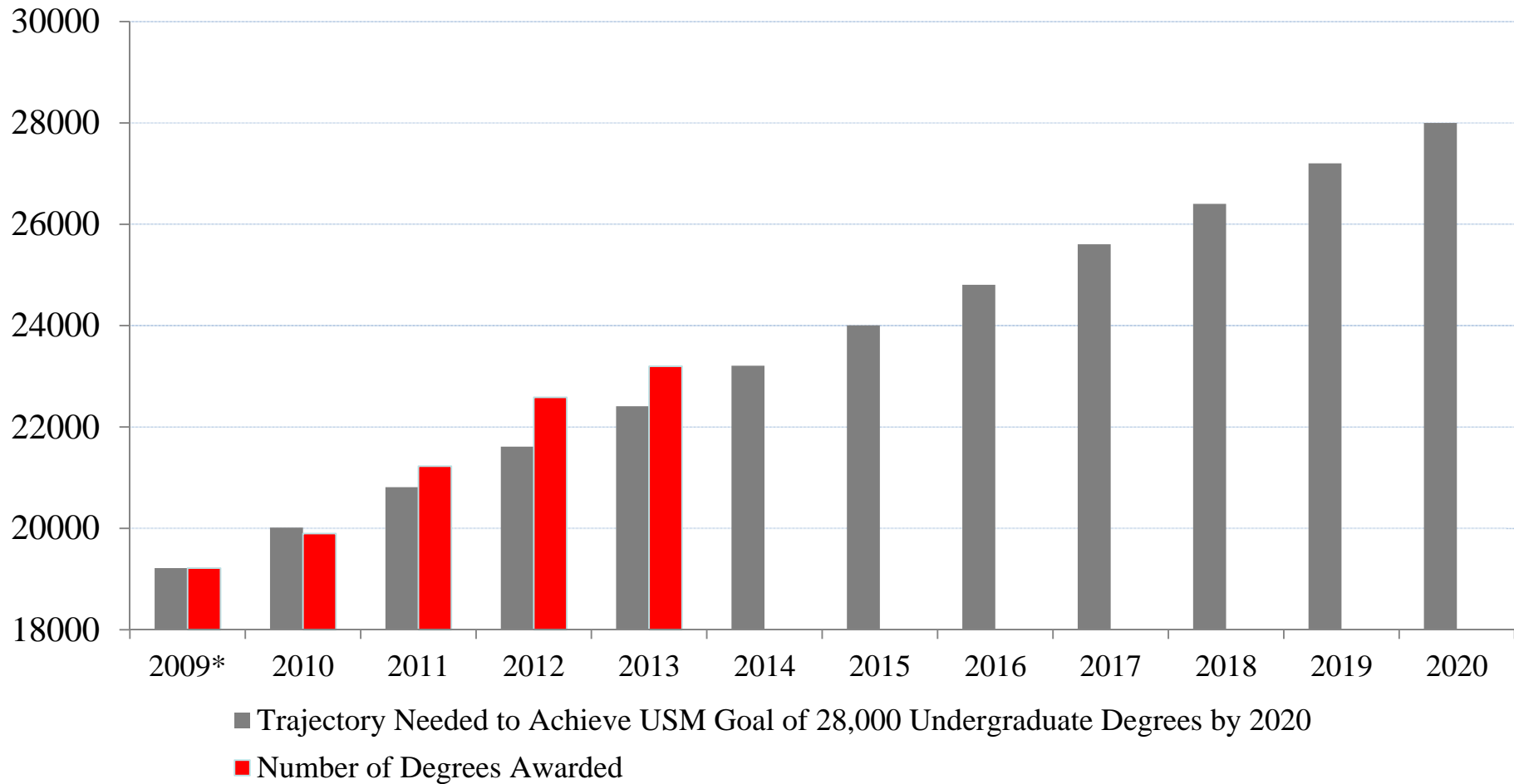


Three Issues for Discussion

- Completion – How to get to 28,000 degrees
 - Little to no enrollment growth
- Financial Aid – How to focus aid to improve degree efficiency
 - Why is institutional aid USM's key tool?
 - What are some good bets?
 - What will it cost?
- What financial aid issues should BOR explore in coming year

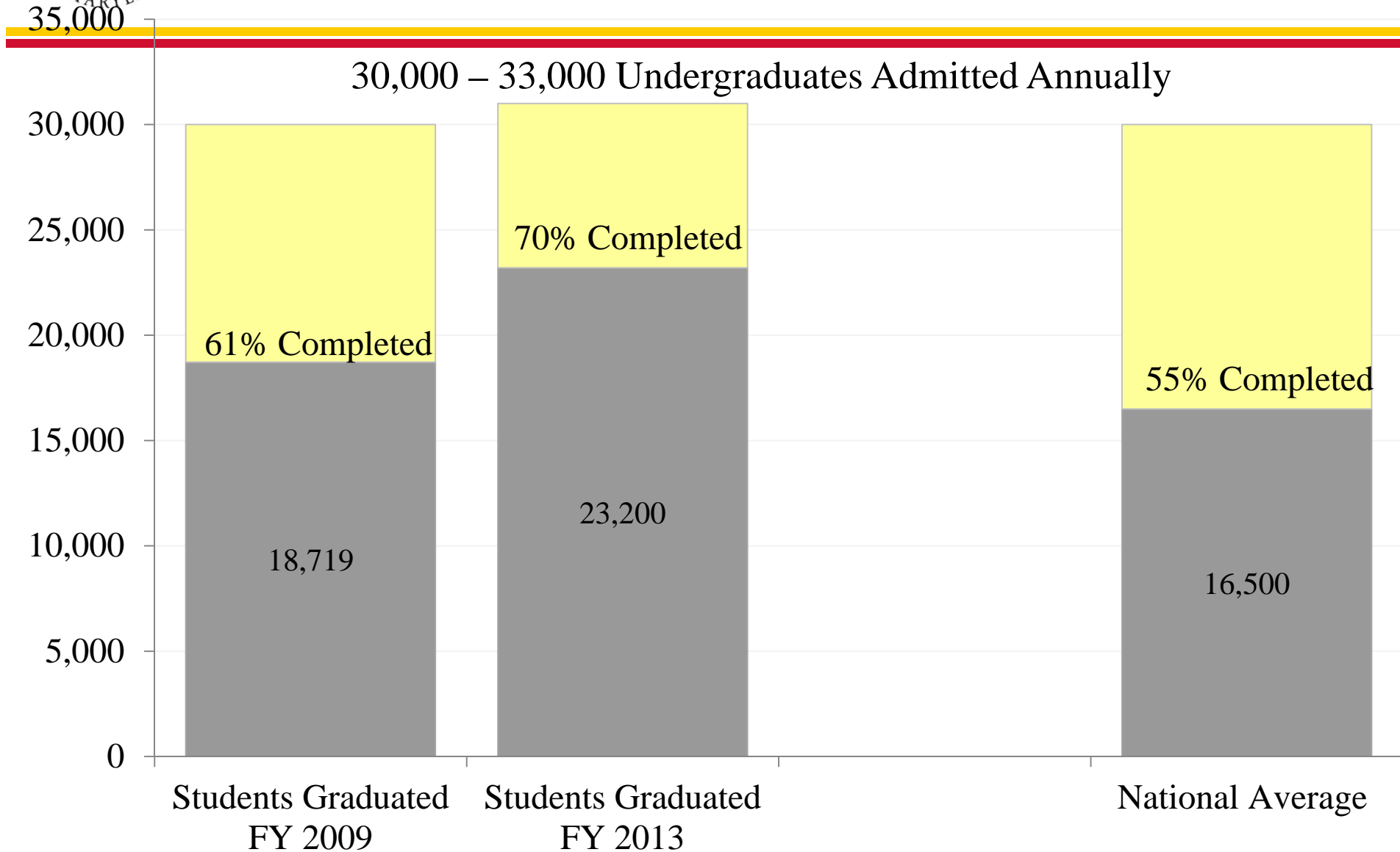


Degree Production Up 4,000 Degrees Annually (+21%) Over 2009



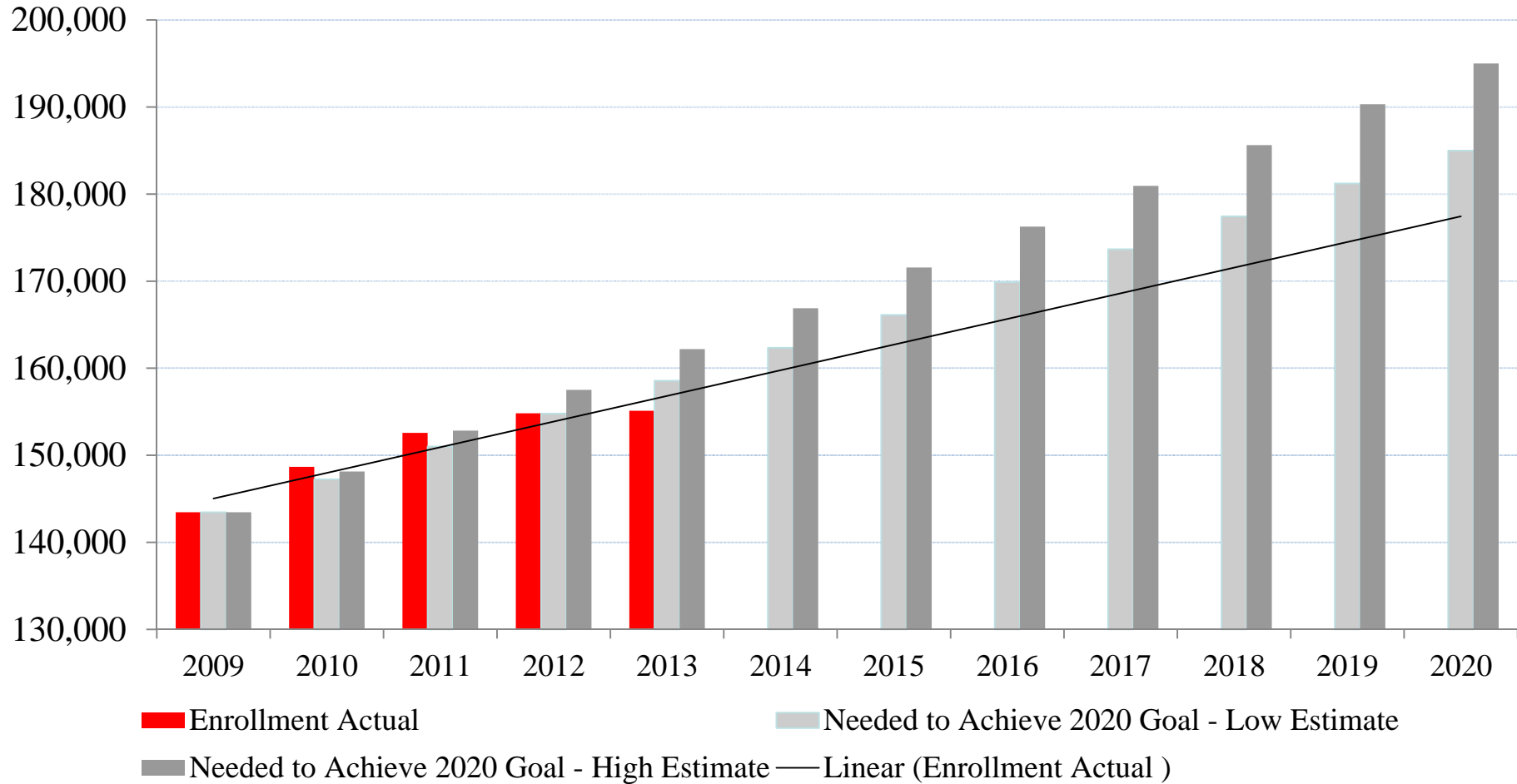


Degree Growth Has Been Through Efficiency & Not Enrollment Increases





Current Enrollment Trends Not Sufficient to Achieve State Degree Goal





Time is Short Graduation by 2020

Graduation Fiscal Year	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
		Reclaim			Retain			Begin
Freshmen Fall Cohort Start	2007	2008	2009	2010	2011	2012	2013	2014
MDCC Transfer FY Cohort Start	2010	2011	2012	2013	2014	2015	2016	2017
Degrees	23,200							28,000

|----- 5,000 More Degrees Per Year by 2020 -----|



INSTITUTIONAL AID & COMPLETION



Why Is Financial Aid Important?

- Merit aid: Attracts students likely to be successful and is key for reputation and quality
- Need-based aid: Positively affects persistence and graduation rates for all students
- Over reliance on loans decreases success
- Tying aid renewal to achievement boosts success

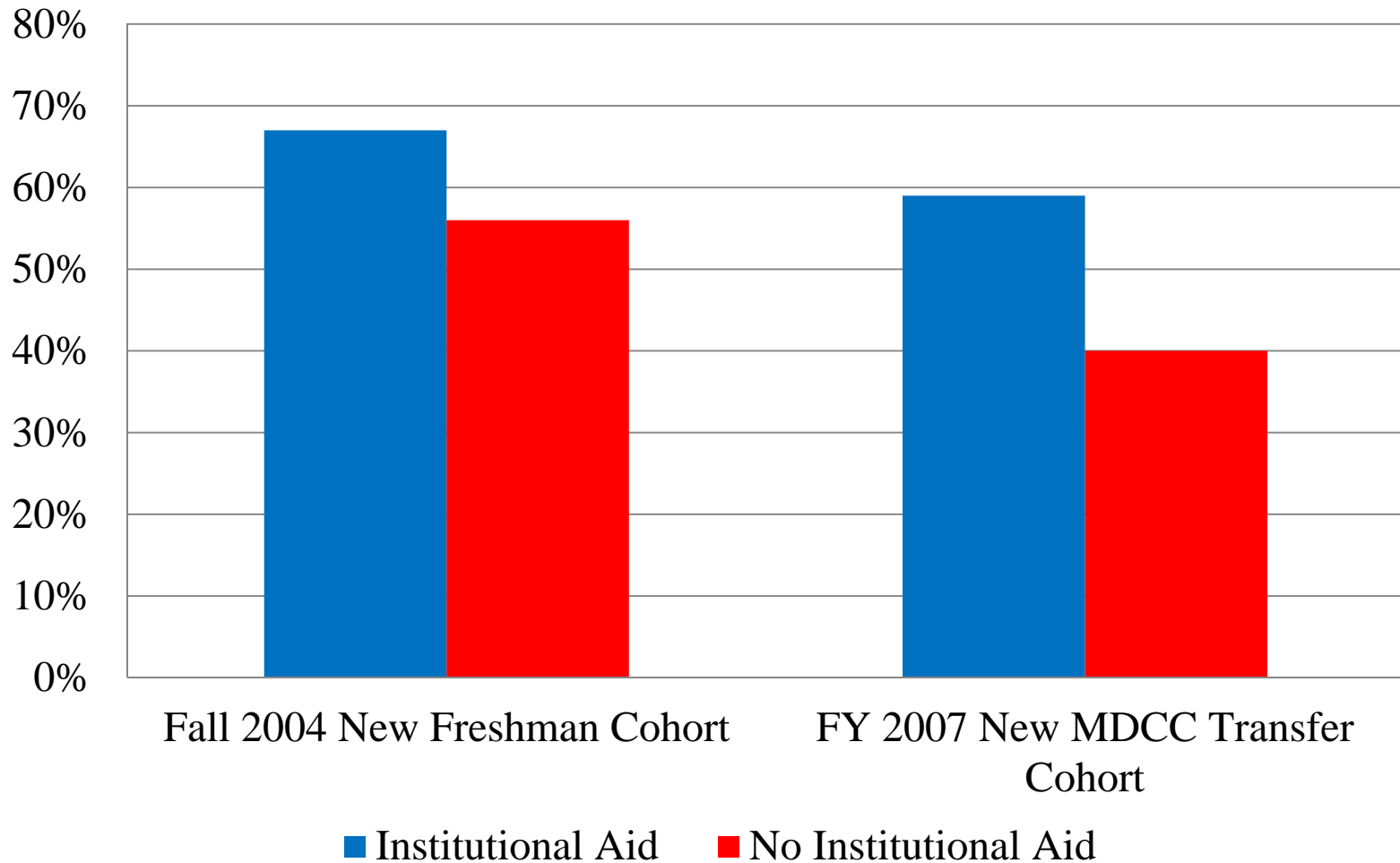


Need-based Aid Awarding Practices

- Federal and State Aid -
 - Broadly focused coverage
 - Rigid criteria
 - Little institutional flexibility
- Institutional Aid
 - Strategically focused coverage
 - Variable criteria
 - Maximum institutional flexibility



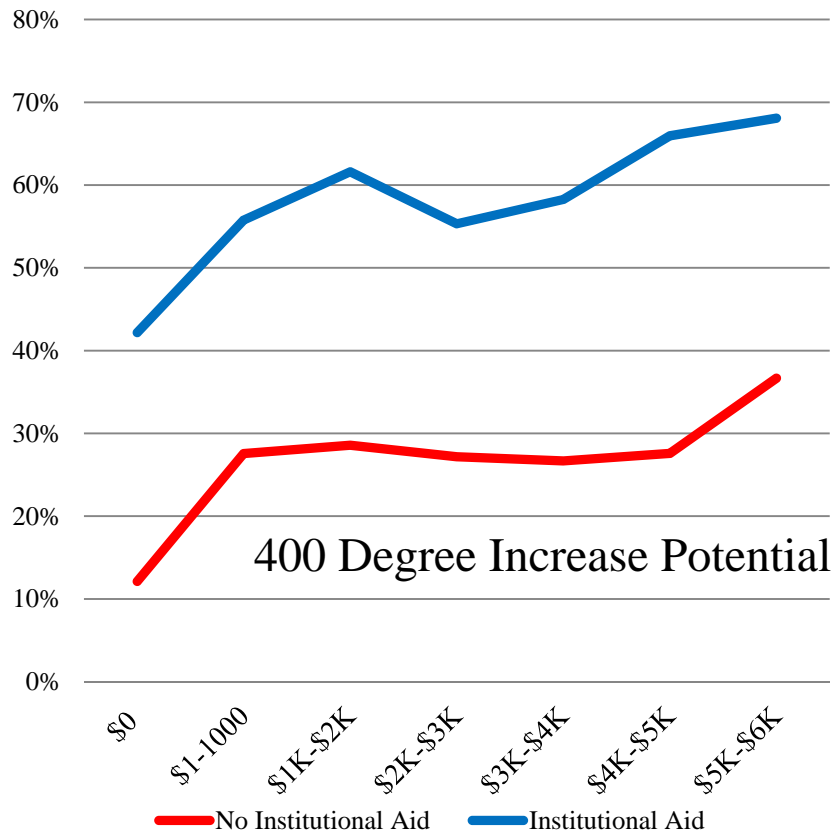
Institutional Aid Recipients Graduate At Higher Rates



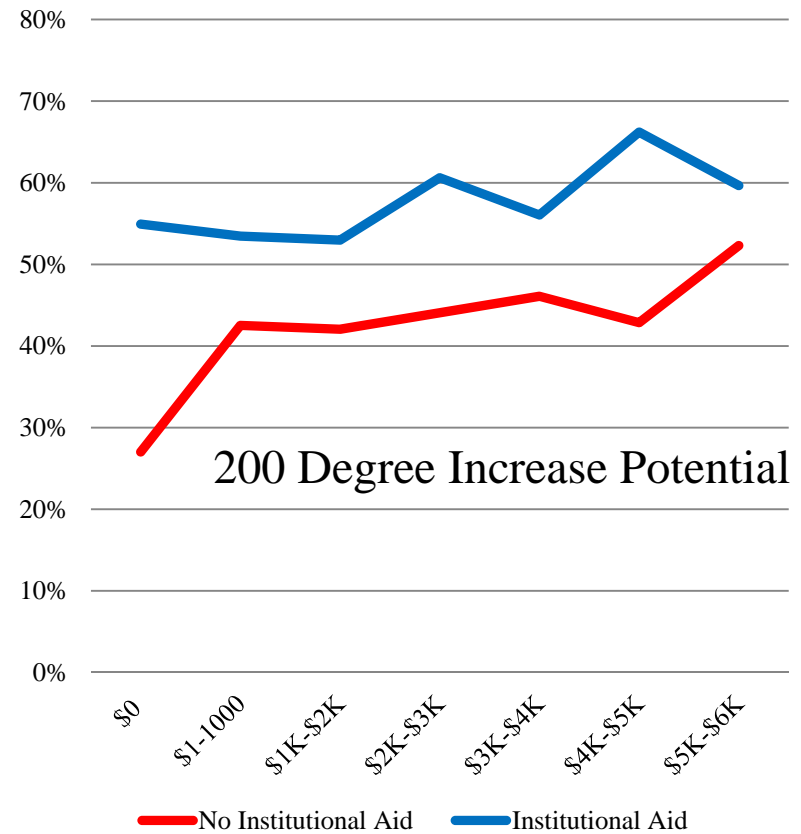


Good Bet #1: Increase the Amount of Need-Based, Institutional Aid Available to All Students

USM New Freshmen Graduation Rates by Average EFC (Expected Family Contribution)

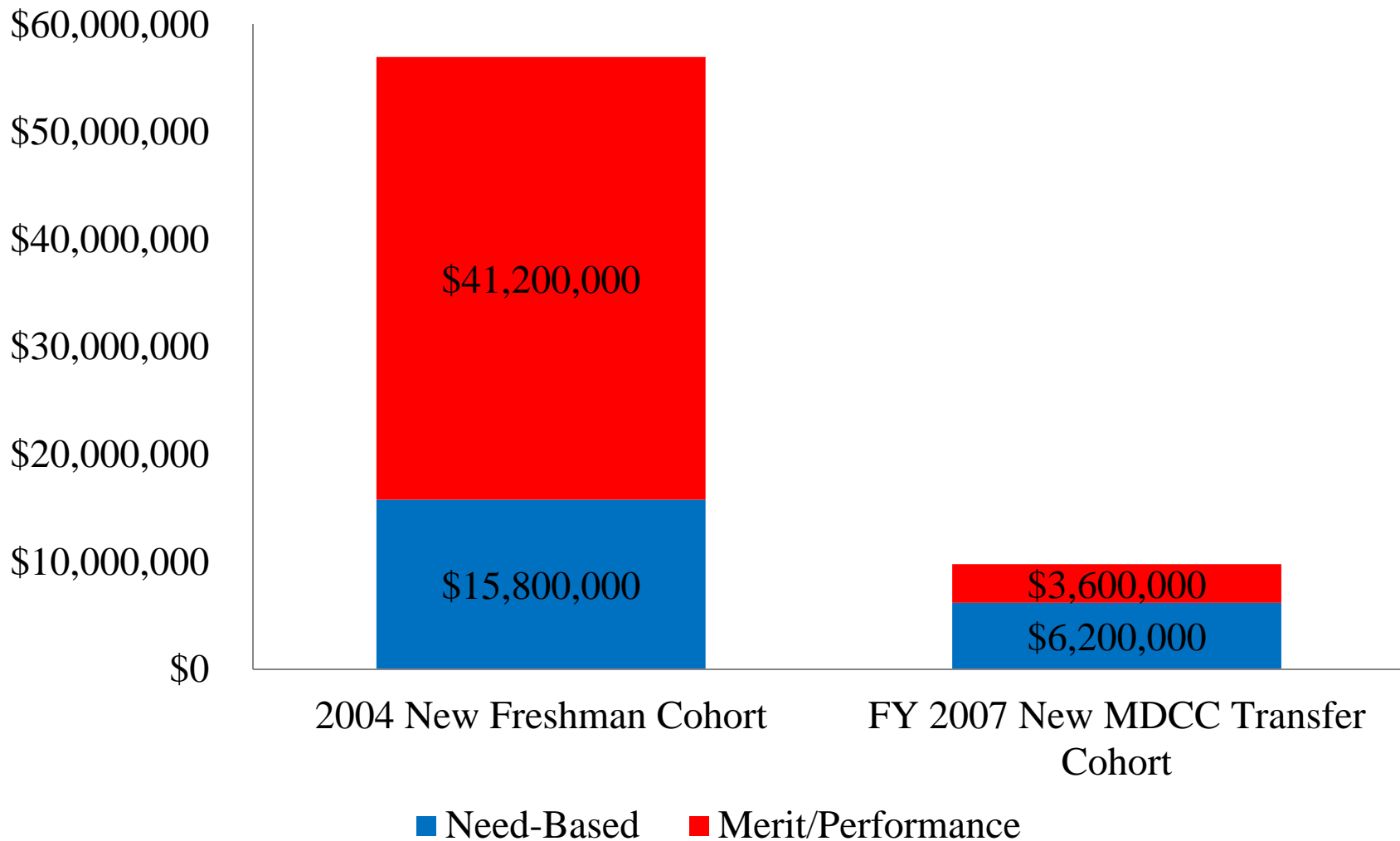


USM MDCC New Transfer Graduation Rates by Average EFC (Expected Family Contribution)



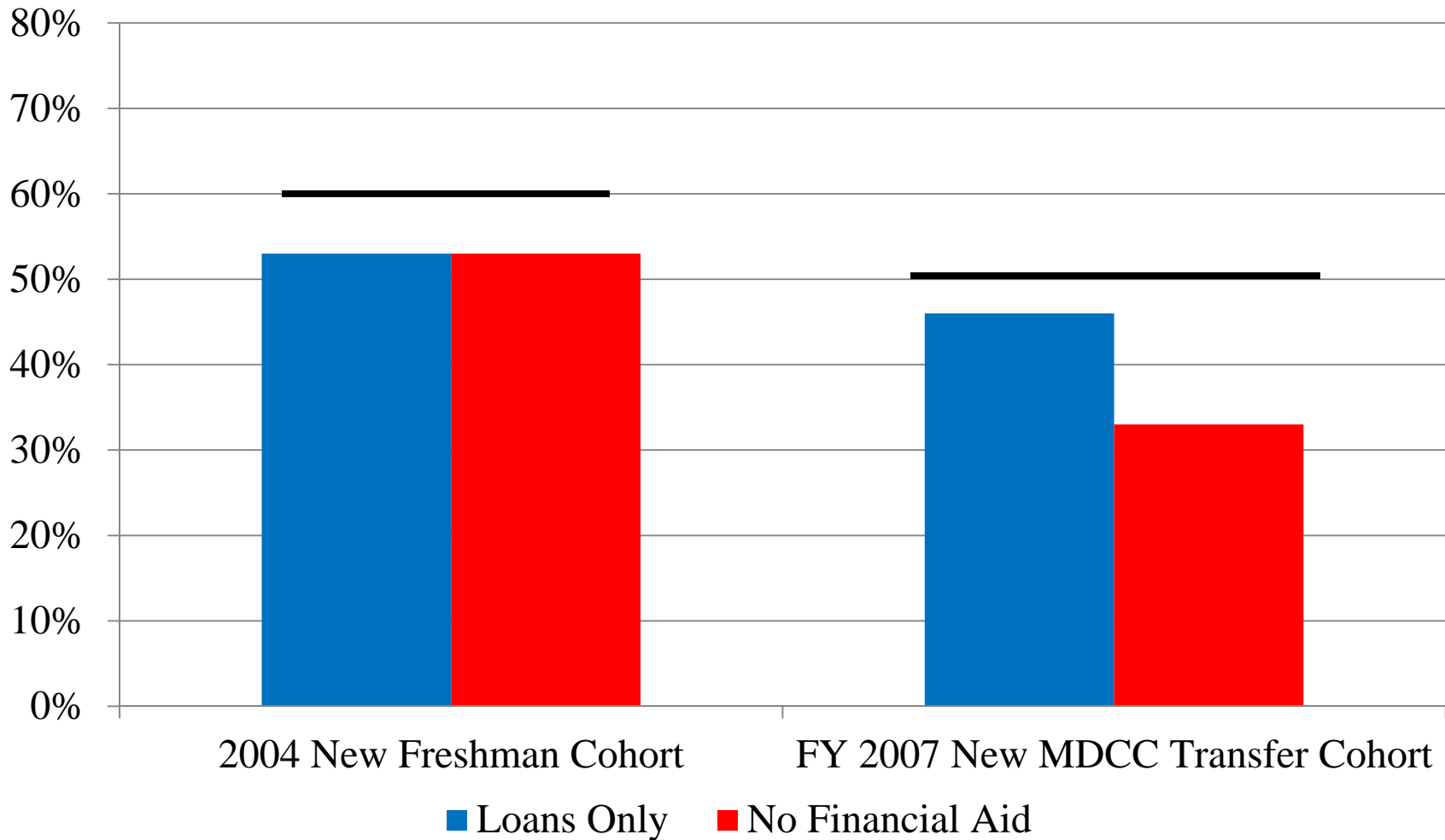


Good Bet # 2: Increase Amount of Need-Based Aid to Maryland Community College Transfers





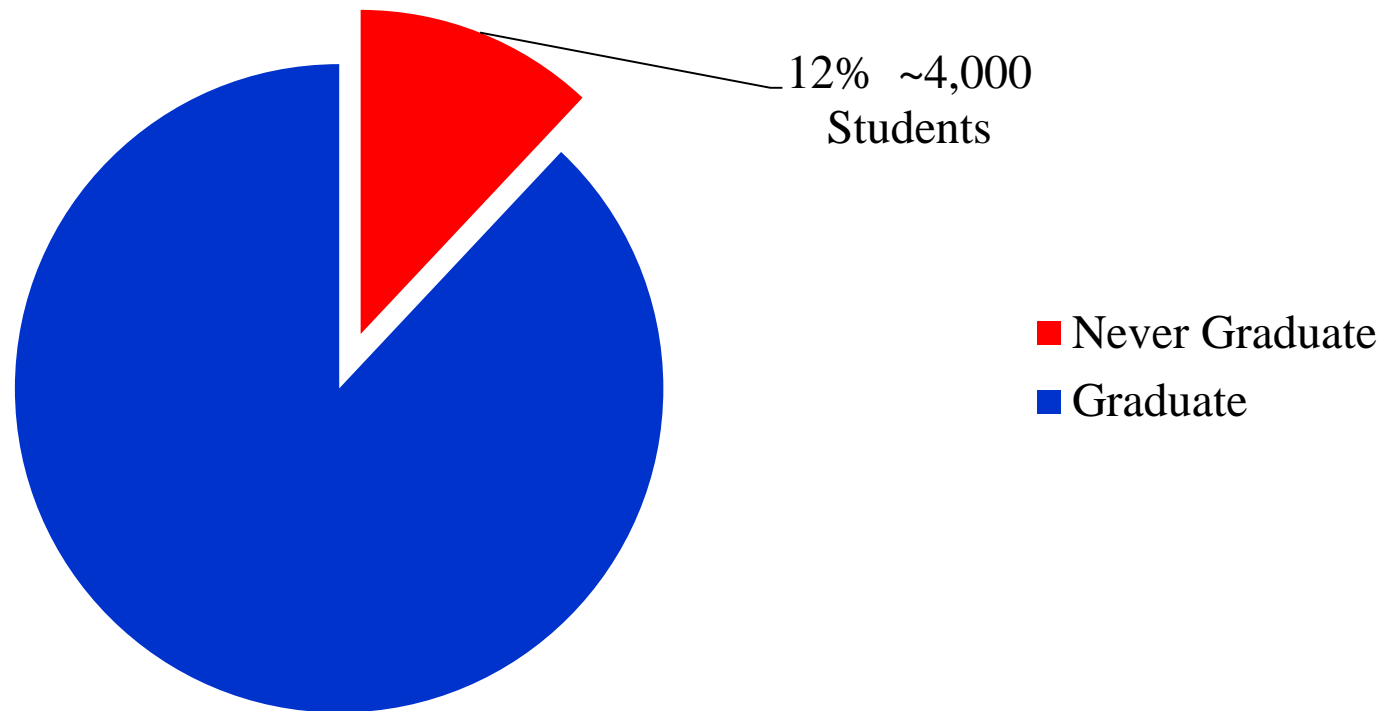
Good Bet # 3: Target Aid to Students Currently Overly Dependent on Loans or With No Aid At All





Good Bet # 4: Target Aid on Seniors At Risk of Not Completing

Students Achieving Senior Status





Summary of Potential Targets & Strategies

- Future and current students without institutional aid
 - Introduce transfer merit incentives
 - Expand need-based recipients
- Transfer students
 - Any amount of aid improves chance of success
- Students with only loans
 - Approx. 2,400 students in this category
- Senior students who can be “reclaimed” with aid
 - 12% of Seniors (90+ credits) will never graduate



Estimated Costs

- Minimum \$1,000 per student per year
 - Students without Institutional Aid: Estimated 6,000 students = \$6M per year
 - Helping “Loan Only Students”: Estimated 2,400 students = \$2.4M per year
 - Reclaimers/Near-Completers: - Estimated 4,000 students = \$4M per year
- Combination of need-based efforts: \$10M per year



Background: 2004 Financial Aid Task Force Undergraduate Recommendations

- ✓ Decrease student loan debt burden
- ✓ Improve balance between need-based and merit institutional aid – **More can be done**
- ✓ Increase aid for Maryland community college transfer students – **More can be done**
- Increase percent of need met



Future Discussion

- Cost of Attendance & Need
 - How are student budgets figured?
 - What is a reasonable % of need met?
- Institutional Aid Practices
 - Strategies for awarding to maximize state and federal resources
 - How can we identify students for impact areas?
- Student Loans and Financial Literacy
 - Are students borrowing more than they “need”?