

MUS Financial Aid Report, 2008

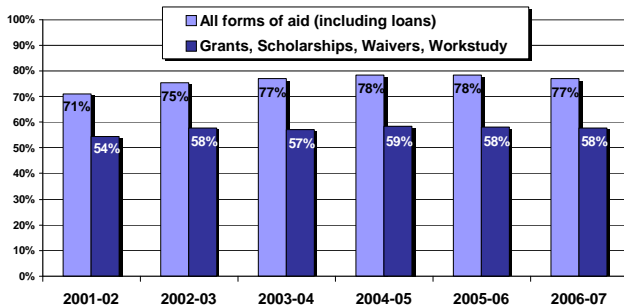
PURPOSE: The purpose of this report is to respond to a request by the legislative interim committee, Post-secondary Education Policy and Budget (PEPB), and Legislative Finance Committee (LFC).

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

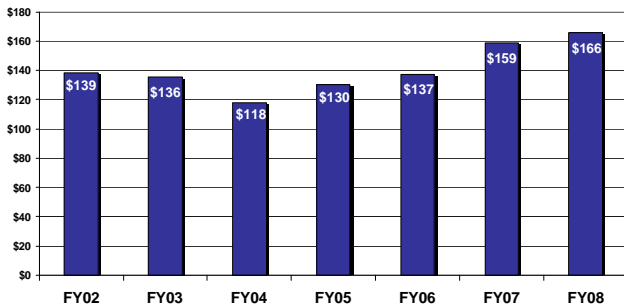
DATA SOURCE: MUS Student Data Warehouse (newly developed Financial Aid portion), does not include comm. colleges

Shared Policy Goals

Increase the percentage of students receiving financial aid.



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



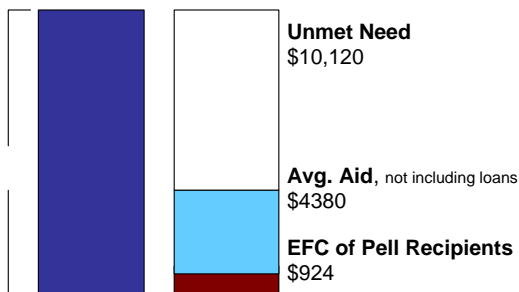
Montana provides approximately half the amount of need-based aid per student in comparison to the average in the western states.

Decrease the amount of "unmet" student need.

Students Attending MSU & UM, 2006-07

Cost of Attendance
(\$15,500)

Academic year prices for full-time in-state undergraduates:
Tuition & Fees
Room & Board
Books & Supplies
Other Living Expenses



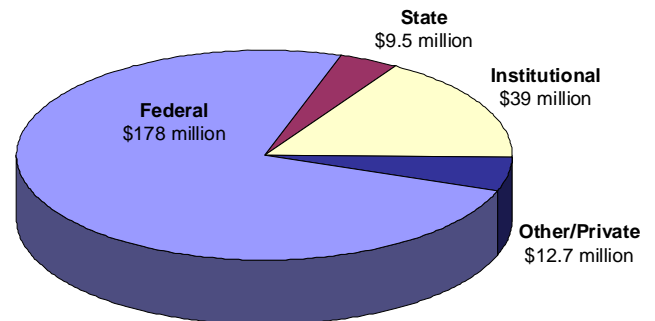
Total Unmet Need for Pell Grant Recipients, 2006-07 = \$70 million

Trends & Analysis

Total Financial Aid

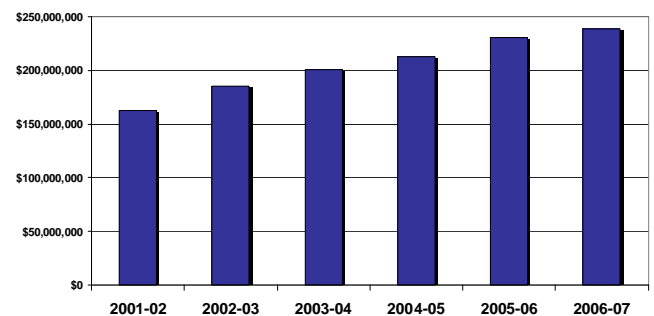
(loans, scholarship, grants, waivers, & work study)

FY07 Total Financial Aid = \$239 million

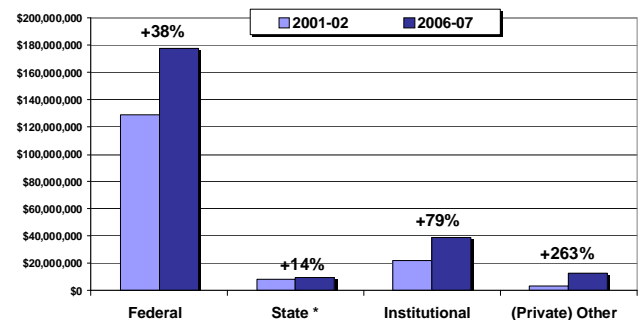


note: \$24M in waivers included under institutional, but partially funded by state

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

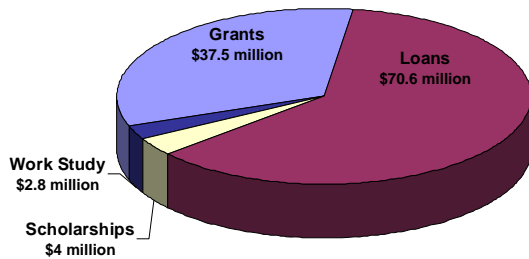


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Need vs. Non-need Based Aid

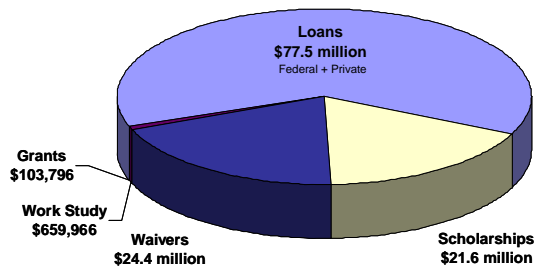
Need-based Aid (def.): awards made based on the financial need of the student and his/her family.

MUS Need Based Financial Aid 2006-07



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

MUS Non-Need Based Aid 2006-07



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

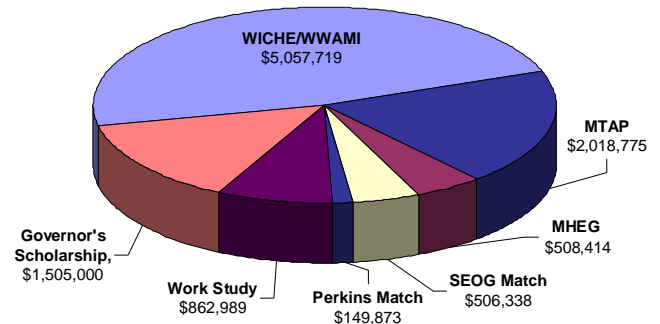
- From 2002 to 2007, non-need based aid increased by \$60 million, while need-based aid grew by \$16 million.
 - Without factoring in loans, non-need based aid increased by \$20 million, while need-based aid grew by \$6 million.
- Over \$37 million is awarded in need based grants, approximately:
 - \$34 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*



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,