

Division of Student Financial Aid

Mary Jane Michalak
Associate Commissioner
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State Student Assistance Mission

- Affordability
- Choice
- College Preparation



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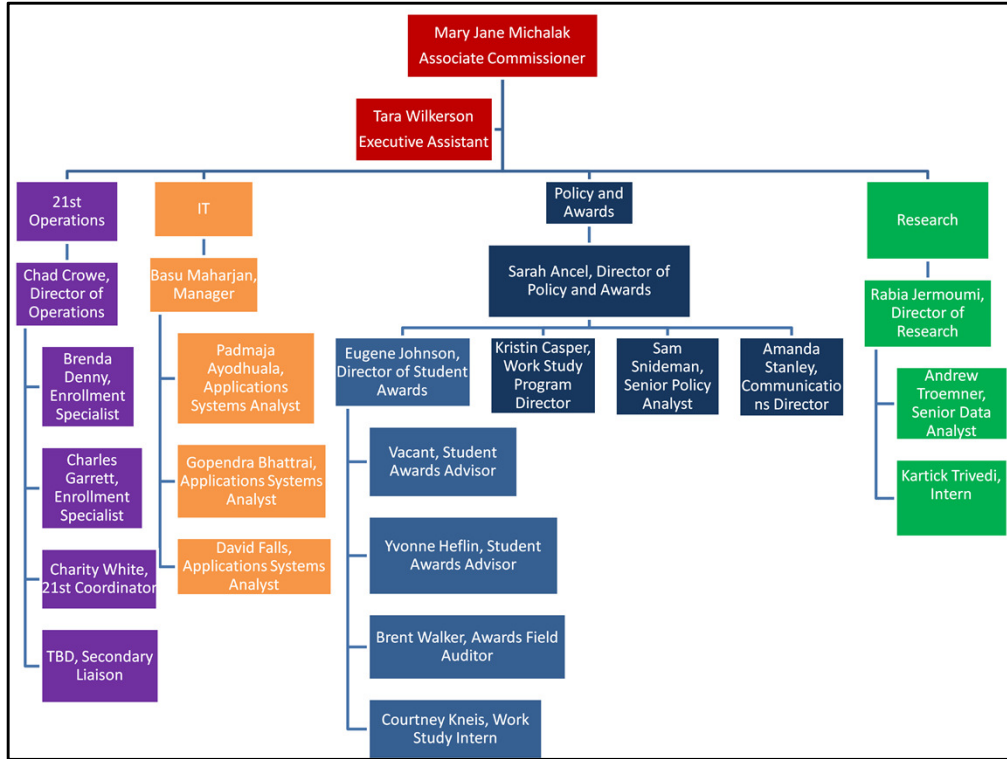
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From statute:

Make college affordable with need-based student grants

Allow choice by granting awards to students attending public, independent and proprietary colleges

Increase college preparation by giving additional money to students graduating from high school with Core 40 and Academic Honors Diplomas and Twenty-first Century Scholars



Role of Commission Members

- Annually set caps
- Promulgate rules
- Review third appeals



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Functionally, the main responsibilities will include the following:

Historically, the SSACI Commission met twice per year; once in June to set the annual caps and once in December/January to vote in new members and attend to any other business.

SSACI has not promulgated rules since 2007, but there have not been substantive changes since 1996. We are in need of rules for several programs including the Mitch Daniels Early Graduation Scholarship and updates are needed to other rules. List includes:

- 1) 21st Century Scholars Program – need to update to include academic success program when that has been finalized. Jason Bearce and Chris Enstrom are working on this.
- 2) Mitch Daniels Early Scholarship Program – need to establish the rules related to this program. We have set some parameters for this and have issued guidance through memos, so we will use those as guiding documents through this process
- 3) Prisoners – this should be straightforward and was part of the SEA 577 legislation. The statute now prohibits the state from providing financial aid to felons who are currently incarcerated.
- 4) 8 year rule – This was again part of the large financial aid reform package in SEA 577. Again, we have established guidelines in memos that can serve as a guiding document.
- 5) Summer Aid – This year, we took the approach of only providing summer aid IF there was money still available after the second semester. There was for Nursing, Minority Teacher, and Part-Time.
- 6) NG and CVO – Two separate rules may be necessary. There were changes to both of these programs as part of SEA 577. There are no current rules on these programs.
- 7) Agency-wide rules or division rules – Agency rules have generally not been updated in over 20 years. We believe there may need to be some general changes to the rules to clarify issues such as residency, the word “continuous”, and to reflect CHE structure rather than SSACI structure.

Third appeals have been rare, and the last one was handled by the Board president. All told, since January 2011, SSACI has received 799 appeals. Of those, we granted 232, denied 393, have 43 still pending (awaiting more information), and have 125 in archives, which means the “appeal” filed was not really an appeal, but more of a correction or a situation where the student was already a 21st scholar, but didn’t know it. These are tracked in our appeal database, which is new since I started with SSACI. Previously, there was no formal tracking of the documents in whole.

Role of Commission Members

- Determine how and when applications should be submitted
- Determine amounts of grants and scholarships
- Determine eligibility for scholarships
- Receive and disburse federal funds made available for awards
- Submit annual report containing information about the number of students receiving state student aid
- Accept gifts and bequests
- Enter into contracts necessary to carry out Commission's functions
- Provide administrative or technical assistance to other agencies to increase the number and value of awards
- Sue and be sued in the name of the Commission



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(1) Prepare and supervise the issuance of public information concerning all of the commission's programs.

(2) Prescribe the form and regulate the submission of applications for all of the commission's programs.

(3) Determine the amounts of grants and scholarships.

(4) Determine eligibility for grants and scholarships.

(5) Receive federal funds made available to the commission for awards, grants, and scholarships, and disburse these funds in the manner prescribed by federal law.

(6) One (1) time every year, submit a report to the legislative council that provides data and statistical information regarding the number of individuals who received assistance under IC 21-12-6 and IC 21-12-6.5. The report made to the legislative council must be in an electronic format under IC 5-14-6.

Additional powers and duties of the commission

Sec. 3. The commission may do the following:

(1) Accept gifts, grants, devises, or bequests to provide grants, awards, scholarships, loans, or other forms of financial aid to students attending approved postsecondary educational institutions.

(2) Enter into contracts, subject to IC 4-13-2, that the commission determines are necessary to carry out the commission's functions.

(3) Provide administrative or technical assistance to other governmental or nongovernmental entities if the provision of this assistance will increase the number and value of grants, awards, scholarships, or loans available to students attending approved postsecondary educational institutions.

(4) Sue and be sued in the name of the commission.

Metrics (KPIs)

- Average in-state tuition & fees at Indiana colleges
- Average Frank O'Bannon grant as a percent of average tuition & fees
- Utilization Rate (\$'s used divided by \$'s offered)



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Financial Aid metrics have been annual, rather than quarterly. These do not measure agency performance, but are more telling of the general higher education climate. Tuition has increased, grants percentage of average tuition and fees has dropped, and utilization rate has gone down the past two years, meaning fewer students who are offered awards are going to school.

Metrics (PMs)

- Mean contribution of CVO grant recipients
- Percent of FAFSAs completed online
- Percent of applicants with honors differential
- Percent of FOB recipients who are first generation
- FOC payment
- FOC student count
- Number of nursing scholarship recipients
- Affirmation rate of 21st Century Scholars
- Number of soldiers eligible and participating in National Guard Scholarship Extension Fund
- Number of National Guard recipients
- Gear Up Parent Participation
- Gear Up Student Participation
- Number of Robert Byrd recipients
- Number of Minority Teacher recipients
- Number of students participating in work study
- Number of employers participating in work study
- Percent of part-time grant recipients over age 25



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Financial Aid metrics have been annual, rather than quarterly. These do not measure agency performance. Obviously, data tell stories, so as I joined SSACI I looked at these numbers to find programs I needed to investigate. We are looking closely at the minority teacher, nursing, part-time and work-study awards to see how we can modify those programs to better utilize the funds given.

As I have reviewed these measures, I have determined that several of the programs are ineffective. For instance, our work study program has dropped in both students and employers participating by about 50 percent since 2005-2006. As such, I have asked Kristin Casper to revamp this program and develop a plan to increase the participation and the quality of employers and students in this program, which ties in with the CHE strategic plan. Additionally, the number of students receiving Nursing, MT have dropped by about 30 percent (despite more students and sufficient funding) since 2005-2006. We are also looking at ways to suggest changes to these programs so we can get these dollars to students more consistently.

Timelines

- Reconciliation of Awards
 - August 29, 2012
 - November 7, 2012
 - December 12, 2012
 - February 13, 2013
 - May 8, 2013
 - May 31, 2013 (Summer awards)



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Timelines

- FAFSA and Awards Deadlines
 - March 10, 2013 – first filing deadline
 - May 15, 2013 – corrections deadline
- Caps-setting
 - May/June
 - 2012 – June 14, 2012 (SSACI meeting)
 - 2011 – August 30, 2011 (adopted)



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CHE recently released its strategic plan; Financial Aid is a large part of this plan.

We have entered into an agreement with HCM strategists to review our financial aid policies and plan to have a report to you by September. The main focus of this study will be the three big programs: HEA, FOC, and 21st. Some of the questions we have asked HCM to answer include:



Consider a student who attends college for two years then drops out. If the student has borrowed, the student now has to repay the loans without the credential to get a well-paying job to allow him or her to pay for the loans. In the last two to three months, we have seen several articles about student debt on loans and default rates. We have recently entered into a contract with HCM Strategists to have them conduct a study on our three major financial aid awards – Higher Education Award, Freedom of Choice and 21st Century – to see if we are allocating dollars in the most effective way to encourage completion. We should have a report on this for you in September.



This leads us to “productivity” – According to the Project on Student Debt, Hoosier students borrowed an average of \$27,000 to finance a college degree in 2010, and the USDOE reports that Indiana’s student loan default rate has increased by 35 percent over the past three years. As you know, some of the things related to financial aid outlined in the report include:

CHE will push for policies and actions that increase college cost transparency, making cost and EFC data available to the public; emphasize student preparation by revising 21st Scholars program to ensure degree completion and program sustainability; transform student aid programs through tiered incentives that increase as students persist semester-to-semester; promote on-time completion through policies that encourage full-time students to take 30 credit hours per year and consider capping state financial aid for students who accumulate excessive credits. Additionally, beginning in 2012, Indiana colleges will set annual targets for improving the average student debt load at their campuses.



Indiana's higher education system lacks common measures of academic quality. What this means in terms of financial aid is that students who transfer from one institution to another end up with more student loan debt because some institutions don't recognize classes given at another institution. We have come a long way in the past seven years, but the strategic plan calls for "Innovative Models" – enable students to learn at the time, place and pace that suits their goals and capabilities. And CHE and institutions must focus on "Return on Investment" – ensuring the quality and value of college credentials. I see that the Division of Financial Aid ties into the quality discussion through participation agreements it enters with institutions. Historically, SSACI must have a participation agreement with schools for their students to receive state financial aid, and SSACI rules outline responsibilities of institutions who receive financial aid.

Contact the Commission

- Mary Jane Michalak
 - Office: 317.234.5664
 - Cell: 317.464.7441
 - E-mail: mjmichalak@ssaci.in.gov or mjmichalak@sfa.che.in.gov (as of July 1)
 - www.in.gov/ssaci or www.in.gov/che



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