What Goals Do Student Financial Aid Advance?
Financial Aid – Integral to Financing in Sync

Too often thought of as the avenue to access

It is an necessary, but not sufficient condition for access and success

ATFA
The Macro Story: Where You Were Until Now

- Total State Grants Awarded:
    - Seventh Highest Nationally

- Need-based Grant Dollars (2007-2008)
  - Total Illinois: $289 Million
  - Per Undergraduate
    - Illinois: $762
    - U.S. Avg.: $468
    - National Rank: 6th

- But that was then
The Macro Story: Where You Are Today (More or Less)

- Total State Grants Awarded:
  - Illinois: $165 Million eleventh Highest Nationally
    - Probably $350 per student + or -, below the national average
  - A Tradition Lost May Call For A New Philosophy
Principle I: Establish a clear philosophy and identify measurable goals.

The Likely Candidates from then & now
- Access -- The bedrock from 60s to 90s
- Merit -- The Fad of the 90s
  - Academic Excellence Warrants Reward
  - Merit attracts the best & brightest
- Access to Success
- Incentivize Preparation
- Be cost effective

My favorite -- Oregon Shared Responsibility
How Does Illinois Measure Up on Philosophy and Goals

Higher Education Student Assistance Act

- Paraphrasing: For the welfare and security of the State and the Nation, and recognizing that costs of education will increase to accommodate increasing demand, all residents who desire a higher education and are properly qualified will be enabled through a system of financial assistance to attend institutions of their choice within Illinois.

MAP:
“... An applicant is eligible for a grant ... when the commission finds that the applicant ... in the absence of grant assistance, will be deterred by financial considerations from completing an educational program at the qualified institution of his or her choice.”
How Does Illinois Measure Up on Philosophy and Goals

The Ordering of Programs in Statute:

- State scholar
  - Merit Recognition Scholarship
  - Monetary award program
  - Silas Purnell Illinois Incentive for Access
  - Monetary Award Program Plus
  - The higher education license plate grant
  - Illinois Veterans Grant
  - Illinois National Guard and Naval Militia Grant
  - Minority Teachers of Illinois scholarship
  - Golden Apple Scholars
  - Police officer or fire officers survivor grant
  - Department of Corrections employees killed or permanently disabled dependents grant
  - Student to student grant
  - Children with Disabilities Traineeship and fellowship
  - Education of the Gifted and Talented Fellowship
  - Special education teacher scholarship
  - Science mathematics teacher scholarship
  - Teacher shortage scholarships
  - Teach Illinois Scholarship
  - Equal Opportunity Scholarship for studies in school administration
  - Administrative internships
  - Teacher training full-time undergraduate scholarship
  - Illinois Teachers and Child Care Providers Loan Prepayment
  - Optometric Education Scholarship
  - Forensic science grant
What Makes for Good State Financial Aid Policy in the Modern Era

Principle 2: Align state financial aid programs with other state financing policies.

The Likely Candidates
- Tie to tuition *
- Tie to assessed financial need *
- Use to assuage guilt – an after thought
- To rationalize choice based on cost *
  - Eliminate cost as a factor in choice
  - Create an affordable “cost of choice” *
- In sync with tuition and appropriations -- ATFA
Principle 3: Understand the significant partnership with the federal government in providing financial assistance.

You are unusual in recognizing link, to some extent, in statute

- Pell Is Much Larger than MAP Grants
- And Loans are an even bigger story

But it is likely that you are not as big a partner as you could be

- No interaction: Pell goes up, Pell goes down – no impact on Cal Grants
- And you may leave a lot of federal money on the table

How so, you ask

- Tuition tax credits for all students, including the most needy (new 40% refundable tax credit)
Principle 4: Adopt clear metrics for measuring whether your goals (Principle 1) are being achieved

Does evidence assure you that you are achieving your objective

Today you know: how many applicants, how many recipients, and average awards.

Do you know:
- Profiles of recipients versus applicants not receiving, by system
- Academic success of recipients compared to other students (including transfer students)
- Distribution of aid by income, race/ethnicity, age, dependency
Principle 5: State policy must be both transparent and predictable

Absent good information, the best program will fail – market information is necessary to have markets work

And, mixed messages become negative messages

So, how does Illinois do in this regard???
What Makes for Good State Financial Aid Policy in the Modern Era

Principle 6: Programs must be scalable

- What prevents scalability
  - Resources constraints
  - Complexity

Illinois Traditionally Did Well

- Major Programs are simple to understand and manage
- Programs had been resourced well

But Recent Actions Question Whether This Is Sustainable

- Resource constraints may warrant more cost-effectiveness
  - Intentionality with feds
  - A new approach to cost of choice
  - Perhaps a new philosophy of cost sharing
Illinois had a long, strong, proud tradition in financial aid
  - It was a national leader
  - That is no longer the case

The “New Normal” requires change
  Questions to ask -- and answer
    - Can you afford the programs you have?
    - Should you target your aid more?
    - Do you have the right goals?
    - How well do your programs reach your goals? And, how do you know that.
    - How can you better take advantage of federal partnership?
Illinois Financial Aid is in Distress

Two Trite Sayings

To the Issues of Goals & Metrics
If you don’t know where your going, any path will get you there.
(or perhaps to Illinois current situation)
If you can’t afford you goals, you may not really have any goals

To the Issues of Strategies & Performance
“Insanity is doing the same thing over and over again and expecting different results.” Albert Einstein

INTENTIONALITY MATTERS