

Report to Board of Trustees  
November 13, 2008

One-Year Update  
Amendment to the Financial Aid Policy and Guidelines  
(Approved November 14, 2007)

At the November 2007 Board of Trustees meeting an amendment to the Financial Aid Policy and Guidelines statement was approved. At that time, the Board requested an update be provided a year later describing how the supplemental financial aid programs are faring on the three campuses. This report is submitted in response to that request.

The figures of the budget and expenditures of each campus on Financial Aid for FY 2005 – FY 2008 and the amount set aside for FY 2009 are appended. It should be noted that these are internal sources of financial aid, separate from Pell and MAP payments. Each campus determines eligibility for these forms of financial aid based on a number of criteria. Good academic progress is an essential feature. The amendment approved by the Board in November 2007 had three elements and the status of these is described below.

1. The Board approved that the name of MAP Supplemental Funding be changed to Supplemental Aid.

The name change does not affect the policies or processes established by the University, or operations of the Offices of Student Financial Aid. It is appropriate since some of the supplemental aid recipients are not MAP recipients.

2. The Board approved that the aid be calculated on the basis of Full Time Equivalent status rather than calendar years. By linking financial aid to FTE the investment made in the student can be fully realized. It also has the advantage of tying the University's definition to state and federal definitions.

There are many factors that influence retention, student progress and graduation of students. A single year is too short a period to determine if there has been an impact on student retention and degree completion rates. The campuses continue to monitor all issues related to retention and graduation rates. However, there is qualitative evidence of the benefits of the change in the eligibility policy. At UIS, which has a number of part-time students, this approach is advantageous to students as the aid is linked to FTE rather than calendar years of attendance. Similarly at UIC, where many of the students have to balance family priorities with education, the change makes the policy easier to understand and explain to staff

and families, as it is similar to other federal and state guidelines. At Urbana, the vast majority of students are full-time and therefore the impact is smaller.

3. The Board approved that we maintain multipliers at 1 for Urbana and at 1.5 for Springfield, and adjust the multiplier at Chicago to 1.67 as it better reflects the projected needs. This adjustment at Chicago was based on the actual expenditures required to fund a clearly articulated financial aid policy.

University Administration (UA) discussed with the campuses whether these multipliers still work for the three campuses, especially the Chicago campus where a change was made last year. The current multiplier is adequate for the Urbana-Champaign and Springfield campuses. However since unmet needs for aid are growing rapidly, other programs are being enhanced (see additional support below).

UIC has a financial aid policy whereby Pell eligibility is a critical criterion. UIC treats the financial aid budget as a “sum-sufficient” budget, as opposed to a “sum-certain” budget, and spends the actual cost of what the financial aid policy dictates. The multiplier is an approximation of what it will cost to fund the UIC financial aid policy. Since the amount of UIC financial aid is in part dependent on the amount of funding provided by the Federal government through the Pell program and the State of Illinois through the MAP program as well as various criteria of eligibility, it is not always easy to predict how much will be needed. The campus is committed to covering the actual cost of funding since the policy, and not the budget, drives the spending.

Additional Support: In addition to the supplemental financial aid described above and in the appended chart, there are other sources of financial support for undergraduate students. These include programs such as the President’s Award Program, Illinois Promise (UIUC), and statutory waiver programs. For example, the University waived an additional \$5.2 million in revenue in response to mandated programs such as the Illinois Veterans Grant and legislative scholarships. The University continues to make scholarships and fellowships a priority in the Brilliant Futures campaign to support access, affordability, and merit.

Summary: In summary, the supplemental financial aid program will continue to be monitored in conjunction with multiple sources of student aid, student need, and student progress to maximize its benefit to the students.