

State Financial Aid Update

Summer 2022

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Associate Commissioner for Legislation & Program Implementation

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1816

OVERVIEW

- ▶ Frank O'Bannon Grant: Schedule of Awards
 - ▶ Enrollment and Expenditures
 - ▶ Proposed Increase
 - ▶ Impact and Next Steps
- ▶ Award Creation Schedule
- ▶ Student Teaching Scholarships
- ▶ College Scholar Success Program Updates

OVERVIEW - FRANK O'BANNON GRANT

- ▶ The Frank O'Bannon Grant is Indiana's primary need-based financial aid program
- ▶ The General Assembly appropriated \$167.7 million to the Frank O'Bannon Grant in FY22 and FY23
- ▶ The Frank O'Bannon Grant is made up of two awards: The Higher Education Award and the Freedom of Choice Grant

OVERVIEW -FRANK O'BANNON GRANT

- ▶ The Higher Education Award is available to students who attend Indiana's public and proprietary institutions
- ▶ The Freedom of Choice Grant is available to students who attend Indiana's non-profit institutions
- ▶ The Freedom of Choice award amounts must be twice as much as the Higher Education Award per IC 21-12-17.7-3(d)

FRANK O'BANNON GRANT - HISTORICAL AMOUNTS

- ▶ The Frank O'Bannon Grant award amounts have yet to recover from cuts made during the Great Recession
- ▶ During the 2008-09 academic year, the maximum base Frank O'Bannon Grant was \$9,160 at a private institution and \$5,080 at a public institution
- ▶ Awards were reduced to \$6,320 at a private institution and \$3,505 at a public institution during the 2009-10 academic year

FRANK O'BANNON GRANT - HISTORICAL AMOUNTS

- ▶ The current maximum base awards are \$9,200 at a private institution and \$4,600 at a public institution
- ▶ Since 2009, awards have increased .4% in nominal dollars at private institutions and decreased by 9.4% at public institutions
- ▶ The maximum base award at a private institution would need to increase to \$12,400 to account for inflation

FRANK O'BANNON GRANT – CURRENT AMOUNT

The **Frank O'Bannon Grant**, which includes the Higher Education Award and the Freedom of Choice Award, is Indiana's primary need-based financial aid program. Eligibility is based on a student's FAFSA, and the grant may be used toward tuition and regularly assessed fees.

BASE AWARD

INSTITUTION TYPE		EXPECTED FAMILY CONTRIBUTION (EFC)																			
		\$0	\$1-\$500	\$501-\$1,000	\$1,001-\$1,500	\$1,501-\$2,000	\$2,001-\$2,500	\$2,501-\$3,000	\$3,001-\$3,500	\$3,501-\$4,000	\$4,001-\$4,500	\$4,501-\$5,000	\$5,001-\$5,500	\$5,501-\$6,000	\$6,001-\$6,500	\$6,501-\$7,000	\$7,001-\$7,500	\$7,501-\$8,000	\$8,001-\$8,500	\$8,501-\$9,000	\$9,001-\$9,500
Private	On-Time	\$9,200	\$8,950	\$8,450	\$7,950	\$7,450	\$6,950	\$6,450	\$5,950	\$5,450	\$4,950	\$4,450	\$3,950	\$3,450	\$2,950	\$2,450	\$1,950	\$1,450	\$950	\$0	\$0
	Full-Time	\$7,400	\$7,150	\$6,650	\$6,150	\$5,650	\$5,150	\$4,650	\$4,150	\$3,650	\$3,150	\$2,650	\$2,150	\$1,650	\$1,150	\$650	\$0	\$0	\$0	\$0	\$0
Public	On-Time	\$4,600	\$4,350	\$3,850	\$3,350	\$2,850	\$2,350	\$1,850	\$1,350	\$850	\$0	\$0	Not Eligible for Frank O'Bannon Grant								
	Full-Time	\$3,700	\$3,450	\$2,950	\$2,450	\$1,950	\$1,450	\$950	\$0	\$0	\$0	\$0	Not Eligible for Frank O'Bannon Grant								
Proprietary or Ivy Tech	On-Time	\$3,500	\$3,250	\$2,750	\$2,250	\$1,750	\$1,250	\$750	\$0	Not Eligible for Frank O'Bannon Grant											
	Full-Time	\$2,900	\$2,650	\$2,150	\$1,650	\$1,150	\$650	\$0	\$0	Not Eligible for Frank O'Bannon Grant											

- Students in their **first award year** will receive the **on-time** award amount.
- To renew an **on-time** award, students must complete at least **30 credit hours*** during their 12-month award year.
- Students failing to complete **30 credits hours*** during their 12-month award year, but completing at least **24 credit hours*** may receive a **full-time** amount.
- Credit hours earned in excess of 30 during an award year may be counted toward future credit completion requirements. Students may also use international baccalaureate, advanced placement or dual credit hours to meet credit completion requirements.

*or the equivalent.

BASE AWARD + STUDENT PERFORMANCE INCENTIVE(S) = TOTAL STATE FINANCIAL AID AWARD

STUDENT PERFORMANCE INCENTIVES

- ✓

ACADEMIC HONORS

\$900

First Award Year Only: Graduate high school with Academic or Technical Honors diploma.

 Second, Third, Fourth Award Years: Earn at least a 3.0 cumulative GPA through end of previous award year.
- ✓

ASSOCIATE DEGREE

\$900

First, Second, Third, Fourth Award Years: Earn an associate degree before enrolling in bachelor's degree program.
- ✓

ACCELERATED SCHEDULE

\$1,400

Second, Third Award Years: Complete at least 39 credit hours during the last award year.
- ✓

FAST TRACK

25%, 50% or 100% more aid for current award year

First, Second, Third Award Years: Complete 30 credits in current award year and then attempt at least 6 more credits, or enroll in a highly accelerated degree program.

Student with financial need may earn student performance incentives even if his or her base award is \$0.



FRANK O'BANNON GRANT: SCHEDULE OF AWARDS

ENROLLMENTS & EXPENDITURES



INDIANA COMMISSION *for*
HIGHER EDUCATION

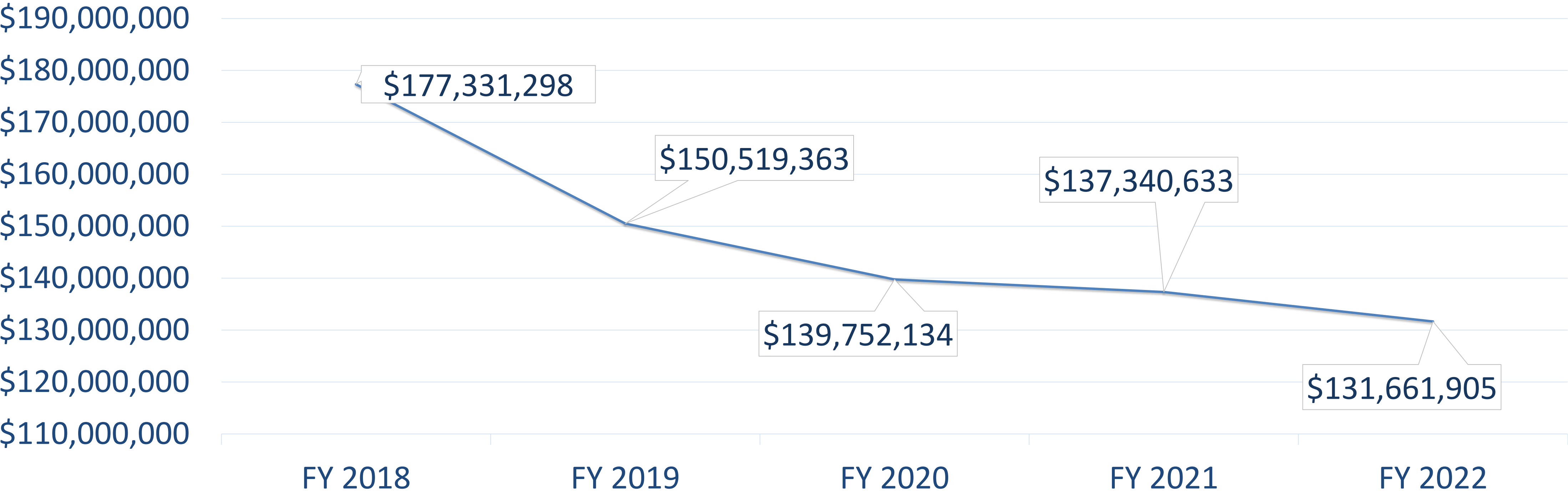
TOTAL FALL ENROLLMENT (HEADCOUNT)

- ▶ In Fall 2021...
 - ▶ **239,799 degree-seeking students** (down 2.6%)
 - ▶ 196,867 undergraduates (down 4.2%)
 - ▶ 42,932 graduate students (up 5.3%)
- ▶ By Sector...
 - ▶ **188,342 at 4-year publics** (down 1.3%)
 - ▶ 145,410 undergraduates (down 3.1%)
 - ▶ **51,457 at 2-year publics** (down 7.1%)

FAFSA DECLINES

Total FAFSAs as of the Deadline				
Fiscal Year	Deadline Date	Total FAFSAs	Highest Need	Expenditures
FY 2020	April 15, 2019	242,293	83,011	\$139,752,134
FY 2021	April 27, 2020	249,945	89,834	\$137,340,633
FY 2022	June 30, 2021	265,021	93,097	\$131,661,905
FY 2023	May 20, 2022	216,391	72,803	TBD

FRANK O'BANNON GRANT - EXPENDITURES



FRANK O'BANNON GRANT: SCHEDULE OF AWARDS

PROPOSED INCREASE



INDIANA COMMISSION *for*
HIGHER EDUCATION

FRANK O'BANNON GRANT- PROPOSED INCREASE

- ▶ Commission staff recommends an increase of 35% to the maximum Frank O'Bannon Grant base-award amounts
- ▶ This increase bring the award back to pre-recession levels when adjusted for inflation and would be the largest increase in award history
- ▶ The maximum award at a private institutions would be \$12,400 and \$6,200 at a public institution

FRANK O'BANNON GRANT – PROPOSED AMOUNT

2022-2023 FRANK O'BANNON GRANT - PROPOSED INCREASE

The Frank O'Bannon Grant, which includes the Higher Education Award and the Freedom of Choice Award, is Indiana's primary need-based financial aid program. Eligibility is based on a student's FAFSA, and the grant may be used toward tuition and regularly assessed fees.

BASE AWARD

INSTITUTION TYPE		2022-2023 Expected Family Contribution (EFC)																				STUDENT PERFORMANCE INCENTIVES	
		\$0	\$1-\$500	\$501-\$1,000	\$1,001-\$1,500	\$1,501-\$2,000	\$2,001-\$2,500	\$2,501-\$3,000	\$3,001-\$3,500	\$3,501-\$4,000	\$4,001-\$4,500	\$4,501-\$5,000	\$5,001-\$5,500	\$5,501-\$6,000	\$6,001-\$6,500	\$6,501-\$7,000	\$7,001-\$7,500	\$7,501-\$8,000	\$8,001-\$8,500	\$8,501-\$9,000	\$9,001-\$9,500		
Private	On-Time	\$12,400	\$11,900	\$11,400	\$10,900	\$10,400	\$9,900	\$9,400	\$8,900	\$8,400	\$7,900	\$7,400	\$6,900	\$6,400	\$5,900	\$5,400	\$4,900	\$4,400	\$3,900	\$0	\$0	✓ ACADEMIC HONORS \$900 First Award Year Only Graduate High School with Academic or Technical Honors diploma. Second, Third, Fourth Award Years Earn at least a 3.0 cumulative GPA through end of previous award year. ✓ ASSOCIATE DEGREE \$900 First, Second, Third, Fourth Award Years: Earn an associate degree before enrolling in bachelor's degree program. ✓ ACCELERATED SCHEDULE \$1400 Second, Third Award Years: Complete at least 39 credit hours during the last award year. ✓ FAST TRACK 25%, 50% or 100% more aid for current award year First, Second, Third Award Years: Complete 30 credits in current award year and then attempt at least 6 more credits, or enroll in a highly accelerated degree program. Student with financial need may earn Student Performance Incentive even if their base award is \$0.	
	Full-Time	\$9,000	\$8,500	\$8,000	\$7,500	\$7,000	\$6,500	\$6,000	\$5,500	\$5,000	\$4,500	\$4,000	\$3,500	\$3,000	\$2,500	\$2,000	\$0	\$0	\$0	\$0	\$0		
Public	On-Time	\$6,200	\$5,950	\$5,700	\$5,450	\$5,200	\$4,950	\$4,700	\$4,450	\$4,200	\$0	\$0	Not Eligible for Frank O'Bannon Grant										
	Full-Time	\$4,500	\$4,250	\$4,000	\$3,750	\$3,500	\$3,250	\$3,000	\$0	\$0	\$0	\$0	Not Eligible for Frank O'Bannon Grant										
Proprietary or Ivy Tech	On-Time	\$4,700	\$4,450	\$4,200	\$3,950	\$3,700	\$3,450	\$3,200	\$0	Not Eligible for Frank O'Bannon Grant													
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- * or the equivalent

BASE AWARD + STUDENT PERFORMANCE INCENTIVE(S) = TOTAL STATE FINANCIAL AID AWARD

FRANK O'BANNON GRANT- FISCAL CONTROLS

- ▶ The Commission is required to ensure the Frank O'Bannon Grant remains within the appropriation
- ▶ If awards exceed the appropriation, the Commission is required to reduce incentives first and then the base award amounts
- ▶ The move to a priority deadline allows the Commission greater flexibility to maximize utilization while staying within the appropriation

STATE FINANCIAL AID UPDATE

IMPACT & NEXT STEP

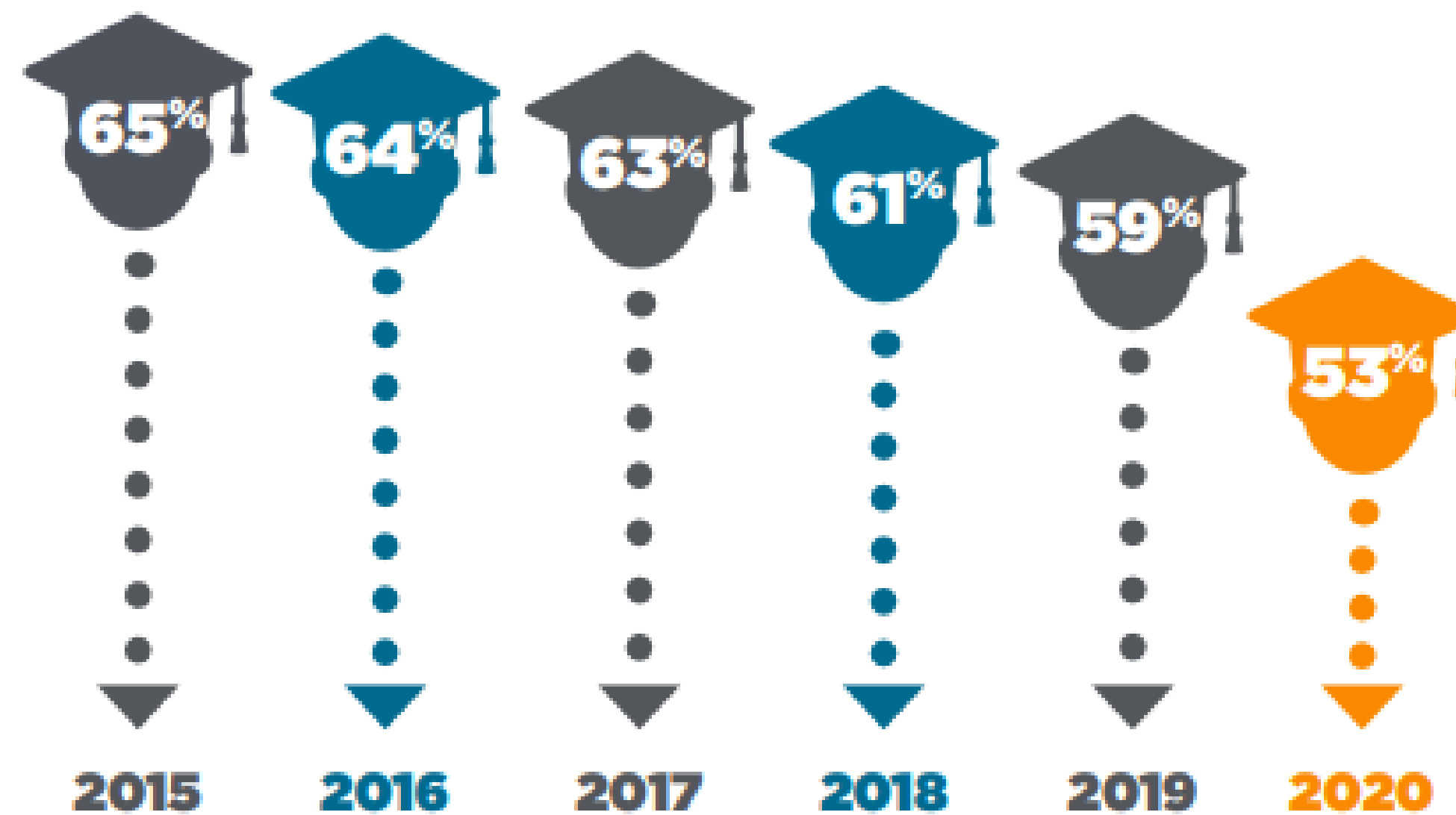



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COLLEGE GOING RATE

HIGH SCHOOLERS GOING STRAIGHT TO COLLEGE

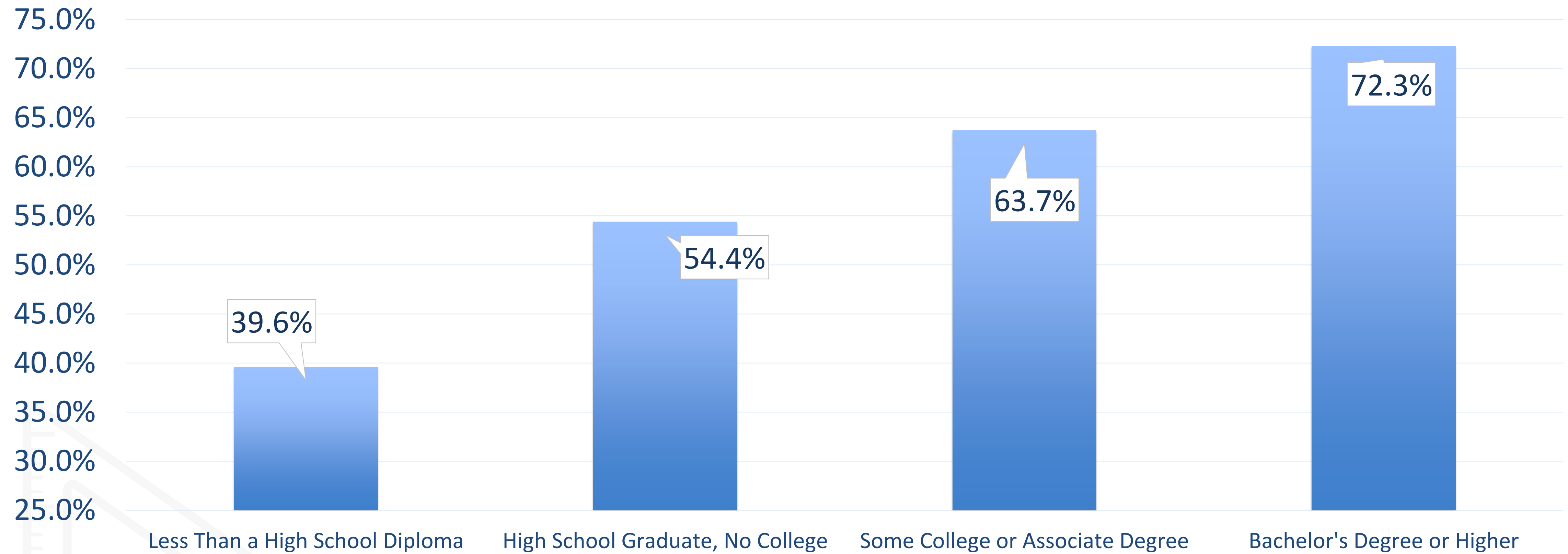
Pandemic Worsened Indiana's College-Going Decline



 Fewer Hoosiers sought education beyond high school in 2020-2021 than in any time in Indiana's recent history.

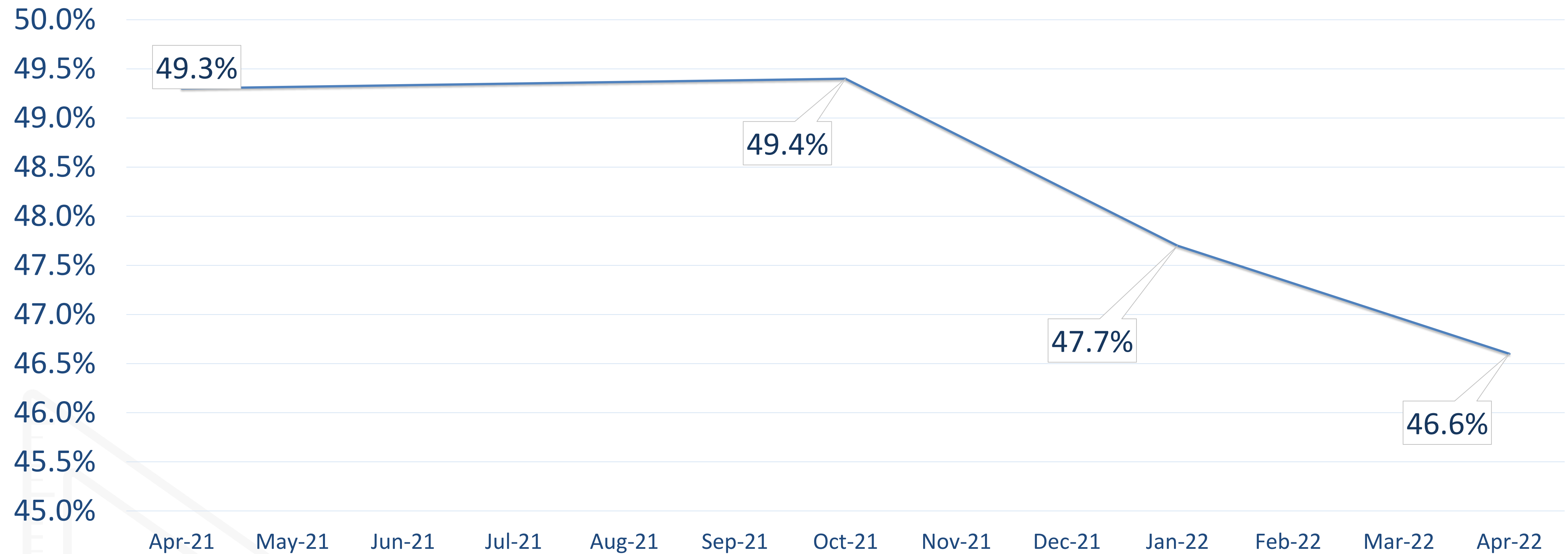


LABOR FORCE PARTICIPATION RATE



Source: DWD – April 22 Employment Briefing

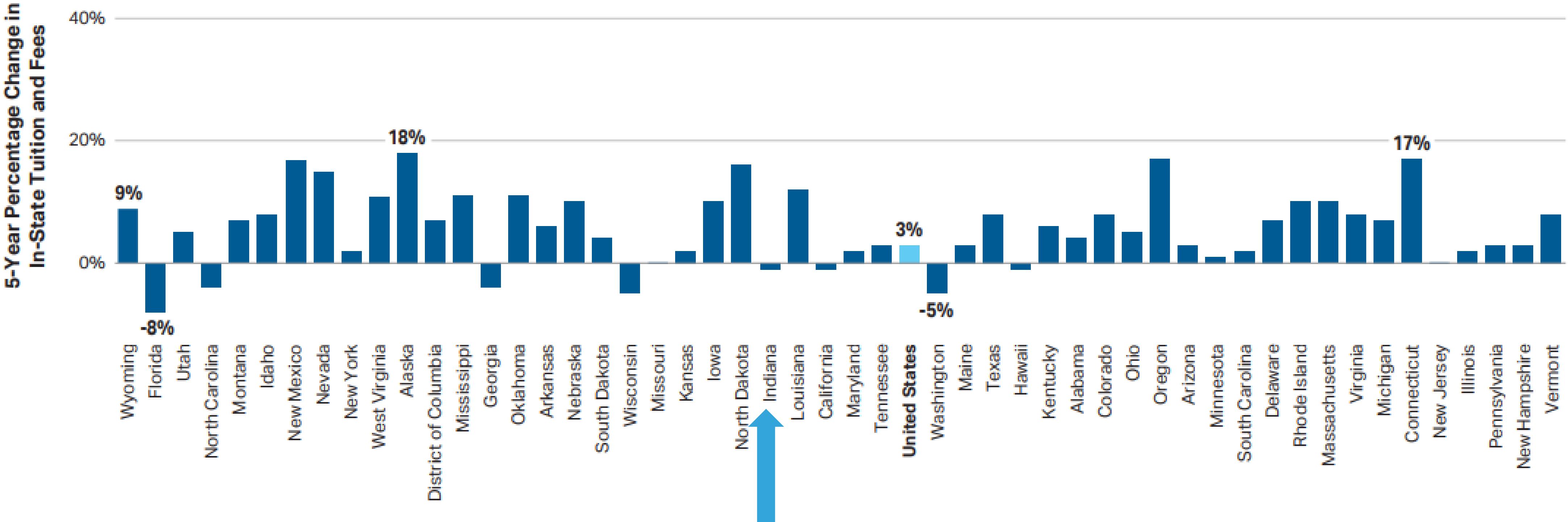
LABOR FORCE PARTICIPATION RATE – 18/19 YEAR OLDS



Source: <https://www.bls.gov/web/empsit/cpseea08b.htm>

FOUR-YEAR TUITION – ADJUSTED FOR INFLATION

FIGURE CP-6 Average 2020-21 Tuition and Fees at Public Four-Year Institutions and 2015-16 to 2020-21 Five-Year Percentage Changes in Inflation-Adjusted In-State Tuition and Fees, by State



Source: <https://research.collegeboard.org/media/pdf/trends-college-pricing-student-aid-2020.pdf>



FRANK O'BANNON GRANT- IMPACT

- ▶ Manageable – This increase will allow thousands of Hoosier students to have their tuition and fees completely covered by financial aid
- ▶ Access/Enrollment – This will allow more students to access postsecondary enrollment and begin to address the enrollment decline
- ▶ Workforce Needs – Financial aid recipients are more likely to remain in Indiana after graduation with more than 75% staying in the state

FRANK O'BANNON GRANT- NEXT STEPS

- ▶ The increase to the Frank O'Bannon Grant was approved by the Commission last week
- ▶ State Budget Committee (SBC) will review the increase at their June 29th meeting
- ▶ The Commission will update amounts in ScholarTrack following SBC approval

STATE FINANCIAL AID UPDATE

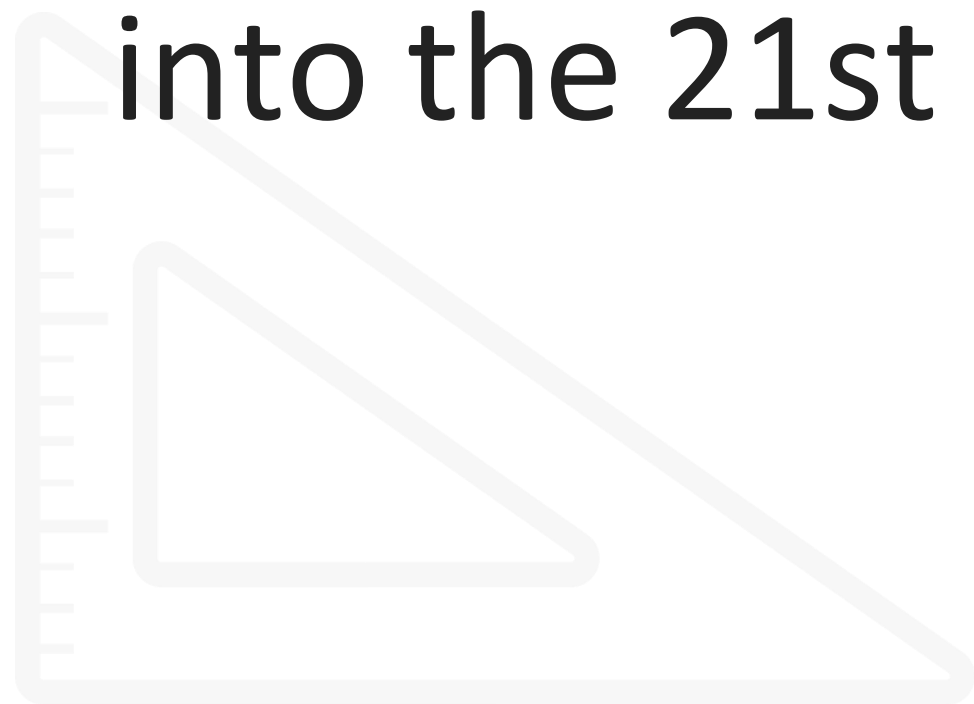
21ST CENTURY SCHOLARSHIP



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21ST CENTURY SCHOLARSHIP

- ▶ Students applying for the 21st Century Scholarship no longer have to provide income information
- ▶ The Commission will verify income eligible through data share agreements with the Indiana Departments of Education and Revenue
- ▶ We are currently exploring options to Auto-enroll all eligible students into the 21st Century Scholars program



STATE FINANCIAL AID UPDATE

AWARD CREATION



INDIANA COMMISSION *for*
HIGHER EDUCATION

2022 STATE FINANCIAL AID AWARD CREATION

- ▶ Colleges will be able to view award amounts in ScholarTrack and on the Information File once award testing is completed at the end of June.
- ▶ State financial aid awards will be available for students to view in early July.
- ▶ Students will be notified of their state financial aid award via email and prompted to view their award amounts via ScholarTrack.

STATE FINANCIAL AID UPDATE

STUDENT TEACHING SCHOLARSHIPS



INDIANA COMMISSION *for*
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STUDENT TEACHING SCHOLARSHIPS

- ▶ During the 2022 legislative session, the Indiana General Assembly converted the student teaching stipends to traditional scholarships
- ▶ Institutions will still review student applications and the Commission will provide institutions with a list of their eligible students
- ▶ Institutions will invoice the Commission outside of ScholarTrack to claim funds

STATE FINANCIAL AID UPDATE

COLLEGE SCHOLAR SUCCESS PROGRAM



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COLLEGE SCHOLAR SUCCESS PROGRAM REQUIREMENTS

- ▶ Cohort 2021 Scholars are required to log their activities in ScholarTrack by June 30th , otherwise their 21st Century Scholarship will be placed on hold
- ▶ College SSP completion can be retrieved from the Excel College Scholar Success Program Report in ScholarTrack
- ▶ We will continue to review completion rates over the coming weeks to determine the impact of the requirement



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