2009-10 Task Force on Student Educational Capacity
Scholarships and Financial Aid Sub-Committee Report

With current enrollment management strategies, the level of financial aid resources at Missouri S&T is at or above capacity to meet campus strategic plan goals. A concerted effort is encouraged amongst academic units, University Advancement and Enrollment Management to better utilize currently-available financial aid resources and increase non-GO resources.

“Capacity” in terms of financial assistance is difficult to define. Given currently-available general operating and endowment funds, S&T is at an equilibrium point in its ability to attract desired number of students at preferred quality while meeting our land-grant mission. The subcommittee agreed, however, that being “at capacity” means S&T has no reserve capacity and is at risk of deterioration in student quality and/or decreased enrollments.

Given that an analysis of merit-based scholarship offerings at competitor institutions has not been conducted since 2000 – and S&T’s undergraduate scholarship offerings have not changed in that time frame – our competitive position for high-ability students is at risk. Higher educational costs and increasing competition for S&T’s desired student profile make competitive scholarships a key to meeting the campus’ strategic plan with respect to student profile and enrollment goals. This risk is exacerbated by demographic shifts and the inability to increase Missouri S&T’s already high student market penetration.

1. Recommendations

A. Average unmet need: Draw up a plan outlining collaboration between other campus entities who manage scholarship distribution so that we can more effectively use the resources we currently have. Set specific fundraising goals for need-based aid.

B. Ratio of SFA staff per student. Increase staffing in the Student Financial Assistance office to reasonable levels.

C. Percentage of gross need. Increase the number and type of private resources that are unrestricted, and/or minimally restricted. We must begin fundraising targeted to previous scholarship recipients, establishment of a need based university grant programs and increases in university work ship(?) and loan programs.

D. Percentage of institutional aid meeting unmet need: Set fundraising goals for merit-based and/or unrestricted scholarships.

E. Percentage of GO dollars supporting institutional aid: Reevaluate the current university scholarship matrix to reflect the institution’s ability to produce enrollment yields at a
level and quality that will achieve our desired enrollment objectives. Set specific fundraising goals to provide the resources required to increase the amount of scholarships deemed necessary.

F. **Availability of financial aid for graduate student recruitment**: Set fundraising goals to provide non-GO dollars to specifically support graduate recruitment and establish fellowships. Review comparator institutions’ policies on including graduate student financial support in grant proposals, and develop a campus-wide policy based on that benchmark.

2. **Benchmarks**

Data points and benchmarks most important to determining a quality experience for undergraduate and graduate students when utilizing scholarships and financial aid.

A. **Students’ ability to pay the cost of attendance as indicated by average unmet need.**
   
   **Current Status: At Capacity**
   
   Average unmet need 2009-10: Graduate: $7,011  Undergraduate: $4,431

B. **Ratio of SFA staff per student compared to other UM system campuses.**
   
   **Current Status: Above Capacity**
   
   2009-10: 1 staff per every 850 students
   
   Projected increase in total number of Pell-Grant eligible students per campus strategic plan. See financial aid staffing analysis.

C. **Percentage of gross need of undergraduate FAFSA filers that is met by institutional scholarships.**
   
   **Current Status: At Capacity**
   
   2009-10: 48.5%

D. **Percentage of institutional merit-based aid that goes to meet unmet need.**
   
   **Current Status: At Capacity**
   
   2009-10: 43% ($4,700,172)

E. **Total amount of GO dollars supporting institutional aid.**
   
   **Current Status: At Capacity**
   
   2009-10: $17M ($11.5 M undergrad, $5.5 M graduate)
   
   Above capacity if these dollars were to be reduced and not replaced by some non-GO source.

F. **Availability of financial aid to attract high-quality graduate students.**
   
   **Current Status: Above Capacity**
   
   See “Stipend X” Task Force Report at gradfac.mst.edu
Unmet need is defined as the difference between what it costs to attend Missouri S&T, minus the Expected Family Contribution (EFC)**, minus how much financial aid of various types the student accesses. **The Expected Family Contribution (EFC) is the amount, as identified by the federal government, that the family (parent contribution combined with student contribution) is expected to contribute toward the cost of attendance.

3. **Observations and considerations** (i.e. why is S&T at, below or above capacity):

A. **Average unmet need.** Students’ ability to pay the cost of education is measured by average unmet need per student who filed a FAFSA and demonstrated unmet need. From Aid Year 07-09, the unmet need grew between 4% - 6% per year. During that same period the cost of attendance grew between 5% -7%. S&T’s current ratio of unmet need to cost of attendance for a Missouri resident is 25%, above the campus strategic plan goal:

   **Goal 2.5: Maintain affordability at 2007 levels by increasing the student financial assistance, scholarship programs and other student cost reduction efforts by 2014.**
   
   [OPR: VPDEM]

   Progress indicators:
   - Average unmet financial need of students (keep below 20%)
   - Percentage of undergraduate students receiving financial aid
   - Number and amount of loans in student packages (compare annually)

   Ability to meet unmet need will deteriorate with loss of $1.3 M in federal aid programs being cancelled for AY 12 (Academic Competitiveness Grants (ACG*), Smart Grants*) and $500,000 in MOHELA Loan Forgiveness Program **)

   *10-11 is the last year of these programs
   ** discontinued after spring 09

B. **Ratio of SFA staff per student.** Financial aid staff per student ratio is above the rest of the UM system. The staffing challenges are compounded by the fact that we also have a higher percentage of Pell Grant qualifiers (21%, highest in the UM system) and a higher percentage of individuals who receive university and private scholarships (80%). These student populations require significant attention prior to and during enrollment; current staffing levels preclude providing that level of service. Processing and administration of university and private scholarships requires a significant allocation of administrative and staffing resources, which impacts the ability of the Financial Assistance Office to effectively service these current and anticipated students. On top of this, current trends suggest that we significantly increase the total number of Pell Grant eligible students by year 2014. With current SFA staffing levels, customer service, which is already above capacity, will be lowered to unacceptable quality levels.
C. **Percentage of gross need met by institutional scholarships.** Given the current level of unmet need we are considered to be “at capacity” due to price elasticity considerations. Any increase in the cost of attendance—without a corresponding increase in merit-based scholarships—will further challenge S&I’s recruitment efforts, especially in out-of-state and international student markets.

D. **Percentage of institutional aid that goes to meet unmet need.** Currently, 48% of institutional scholarships go to meet unmet need. 52% is going to students who do not have need. National discussions on the responsibility of land-grant institutions to address access issues may result in recommendations to shift portions of institutional dollars to meet need as opposed to serving strictly as a recruitment tool for higher income students.

E. **Percentage of GO dollars supporting institutional aid.** The current scholarship-awarding matrix for undergraduate merit-based aid is sufficient for meeting campus enrollment goals for quality and quantity in the current market; however, shifts in national demographics will challenge that ability. To increase the level of the scholarship matrix, i.e. the amount per student, in order to maintain enrollment goals, would result in additional institutional spending unless private dollars are identified. Even at the current scholarship matrix, the level of reliance on general operating funds (even when that revenue is actually being produced by student tuition as opposed to state funding) to provide these merit scholarships inhibits campus potential to use tuition revenue to invest in other campus goals. Decreasing the discount rate—by utilizing private dollars to fund merit-based scholarships that will recruit and retain students will free up general operating dollars for other campus priorities.

F. **Availability of financial aid for graduate student recruitment:** The ability of this university to recruit and retain graduate students is vital to its faculty and programs being able to carry out their research and teaching missions. Increasing campus graduate enrollment to strategic plan goals will require the campus secure funding mechanisms to increase our competitive ability to attract quality graduate students.

**Supporting documentation:**

Available upon request from Rance Larsen, larsenr@mst.edu.