Financial Aid Highlights

The past many months brought a series of changes to both federal student aid program regulations and funding. At the same time, the state of Michigan aid programs were all but eliminated. Funding for the Michigan Promise Program was cut entirely, while funding for the other state aid programs was reduced to less than 40% of prior levels, from $228 million to $87 million. MSU students have been hit hard by these losses, with over 16,000 students losing almost $20 million. Whether these programs will be restored in the future depends both on the state economy and the will of the state leaders in charge of such things after the fall election.

The new federal regulations came through the Higher Education Opportunity Act of 2008 and the American Recovery and Reinvestment Act of 2009. They are being phased in and will be fully in place by the close of 2012. There are many changes to the federal loan programs, but they do not have significant impact on students at MSU. Most importantly, the federal government eliminated banks and other lending institutions as providers of federal education loans, leaving the federal treasury and Department of Education as the sole providers of these loans. MSU voluntarily moved to the federal lender model in 2009 after our major bank lenders dropped out because of the credit market squeeze. Other regulatory changes impact aspects of the University not in the purview of the Office of Financial Aid, such as emergency response procedures, transfer credit policies, copyright protection, textbook requirements, and placement rate of graduates.

Financial aid funding for the federal grant programs mostly remains flat, while the number of...- Continued on Page 2

Policy Update: Satisfactory Academic Progress and Financial Aid

Federal financial aid regulations require institutions to monitor progress toward academic program completion for students receiving federal financial aid. There are both qualitative and quantitative requirements for this monitoring. Qualitative monitoring requires tracking the GPA and quantitative requires tracking semester course completion rate and overall time to degree. Until Spring Semester 2010, the Office of Financial Aid (OFA) monitored only the quantitative (time to degree) portion while leaving GPA monitoring to the academic departments. However, following a Federal Program Review by the US Department of Education last March, it was determined that a policy change was needed to bring MSU into compliance with new Satisfactory Academic Progress (SAP) regulations. OFA, thus, began to monitor GPA beginning at the end of Spring Semester 2010.

-Continued on Page 2
students demonstrating need for those programs increased. For instance, MSU students qualifying for the Pell Grant, which goes only to needy families, increased from just over 7,000 in 2008-09 to an estimated 10,000 in 2010-11. Another way to state this is that MSU students are becoming needier. The maximum award amount for Pell Grant rose from $4,731 in 2008-09 to $5,350 in 2009-10 and to $5,550 in 2010-11. In 2008-09, just over 7,000 MSU students received about $24 million in Pell Grant funds. We expect $36 million to go to about 10,000 MSU students for 2010-11. A much smaller federal program, but one that is important to the neediest students is the Supplemental Educational Opportunity Grant which supports about 2,500 MSU students in addition to the Pell Grant. $2 million was available for 2009-10 and again for 2010-11.

The College Work Study (CWS) program is hit especially hard as the state of Michigan eliminated a supplement to the federal program that allowed MSU to employ about 200 additional students. CWS subsidizes the student payroll so the employer pays only 30% of the earnings. With flat federal dollars, no state supplement, and more eligible students, we have had to rethink our strategy for awarding by focusing on continuing students who demonstrate need and have been working in a subsidized position and new students who are exceptionally needy. Our available subsidy for 2010-11 is $1.3 million compared to $1.7 million this past year. This equates to an expected total of 1,300 subsidized workers instead of more than 1,500 we’ve seen in the past.

The final bright spot is that MSU increased its commitment to institutional financial aid by 30% between 2009-10 and 2010-11. This allows us to continue a strong subsidy level to resident undergraduates who demonstrate financial need, whether this need is historical or transient, related to the economic downturn. To put this into dollars and cents, the institutional General Fund commitment for 2010-11 is just over $93 million, compared to just under $70 million in 2008-09.

Policy Update Continued...

The GPA standards for Satisfactory Academic Progress follow published university standards. For undergraduates and Veterinary Medical students, that standard is a 2.0 or above. For graduate and other graduate/professional students, it is 3.0 in the numeric grading system and no more than 20% No Pass grades in a Pass/No Pass system.

Students who fall below the standard at the end of a semester they started while in good SAP standing have one automatic semester of financial aid, after which they are ineligible for further financial aid unless they return to good standing or submit, and are granted, a financial aid appeal.

OFA has been working closely with the academic officials and has presented this policy change to Associate Deans and other academic staff. We hope that all academic advisors and staff will take the time to familiarize themselves with these new standards.

For more information, see www.finaid.msu.edu/sap.asp

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Changes in Dubai

In July this year, Michigan State University announced it was ending its undergraduate programs in Dubai. To support the students who were attending MSU Dubai, MSU also announced it would extend an invitation to the displaced students to finish their degrees in East Lansing, covering their excess costs with financial aid. In light of this news, the Office of Financial Aid worked diligently with many departments on campus and Dubai to ensure students would have enough financial aid. The financial commitment MSU made to the students included a tuition equalizer award, one round-trip airfare ticket, a one-time transition award, and a special housing award given to those students who proved that specific need. Many ex-MSU Dubai students have taken advantage of the invitation to attend MSU East Lansing, and are now studying here on campus.

MSU OFA Offers Financial Aid TV

Now available on MSU OFA’s web site are dozens of short videos answering most of your basic financial aid questions. Topics include applying for aid, information on loans, grants, scholarships, and aid eligibility, saving and borrowing money, loan repayment, education tax benefits, and lots of tips on money management. Some information videos are also offered in Spanish, Cantonese, and Mandarin. You may view Financial Aid TV via our web site at http://www.finaid.msu.edu/fatv.asp

Study Abroad and Financial Aid

Michigan State University owns one of the largest study abroad programs in the nation amongst public universities. Every year thousands of MSU students participate in many different programs of study abroad. This is a great way for students to learn globally while furthering themselves academically. Many students who participate in these programs utilize their financial aid to assist them with financing their experience abroad. The Office of Financial Aid works closely with the Office of Study Abroad to create program specific budgets for each student. This is done to ensure each student will receive the appropriate amount of financial aid for their program, as well as to keep them in compliance with federal lending practices. In a time where the economy has made it difficult for students to take advantage of studying abroad, the partnership between the Office of Financial Aid and the Office of Study Abroad has given students options for financing their program.

For more information about study abroad programs offered at MSU please visit studyabroad.msu.edu. Also, the Office of Financial Aid has information available online in regards to the types of aid offered for study abroad programs at www.finaid.msu.edu/abroad.asp. This website also describes the steps that are necessary to apply for aid for a study abroad program.
Summer in the Office of Financial Aid

Each day is very different when working as a Financial Aid Officer. In the Student Services and Outreach Unit our primary responsibilities are advising students and parents over the phone or in person, awarding federal and institutional financial aid, processing special condition applications for circumstances such as loss of employment, reviewing federal tax returns to verify information submitted on the FAFSA is correct, presenting at various events, and working on committees from within the office to regional financial aid associations. These are just a few hats that we wear. Summer is our busiest time of year which we consider to be April through October.

Fact:
From May 1st to August 20th the Office of Financial Aid answered 32,608 phone calls which amounts to an average of 2038 phone calls per week, 407 calls per day, 50 calls answered per hour.

Financial Aid Outreach

Each year the Office of Financial Aid participates in outreach opportunities on and off campus. FAFSA filing can be a very frustrating process for families. A small error, such as entering parent income in the students income fields, could cause students to miss out on aid they may have otherwise been eligible for.

Two events are typically held mid spring semester to assist families and students with filing their FAFSA. The goal is to make the process easier and more accurate. Look for more information about these events. The first is College Goal Sunday, which occurs each February. More information can be found at micollegegoal.org. Locations are available throughout the State of Michigan. The second event is one that is offered right here at MSU, which is Get It Done Day. Students and parents are welcome to attend. The date is yet to be determined, but will be included in our Spring issue.

Advising Around Campus

Need to see a Financial Aid Advisor but just don’t feel like walking to the Student Services Building or the Hannah Administration Building? Financial Aid help is coming to a dorm near you. Financial Aid Representatives will be available in the Butterfield UUD office on the dates listed below.

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<th>Butterfield</th>
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Office of Financial Aid
at Michigan State University
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East Lansing, MI 48824