

## 2011 Program Report Card: Student Financial Aid (Connecticut State University System)

*Quality of Life Result:* All residents of Connecticut have access to affordable higher education

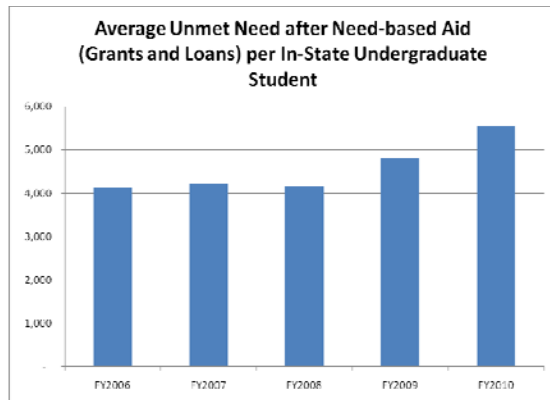
*Contribution to the Result:* CSUS universities provide predominantly need-based grant and work study aid, as well as a small amount of merit grant aid; in addition, CSUS has an experienced financial aid staff that assists students with navigating through the maze of student loan choices and other sources of financial aid.

*Actual SFY 10 Total Program Expenditures:* \$250,748,361 *State Funding:* \$12,818,083 *Federal Funding:* \$185,425,758 *Other Funding:* \$52,504,520 (Includes Private and Institutional Funding)

*Estimated SFY 11 Total Program Expenditures:* \$258,185,418 *State Funding:* \$11,121,000 *Federal Funding:* \$193,202,820 *Other Funding:* \$53,861,598 (Includes Private and Institutional Funding)

*Partners:* Local High School Guidance Counselors; Local Banks and Credit Unions; Federal Department of Education; State Department of Higher Education; Connecticut Families; Connecticut Businesses; Student Organizations; Private Foundations for Public Giving

### Performance Measure 1: Average Unmet Need per Undergraduate In-State Student

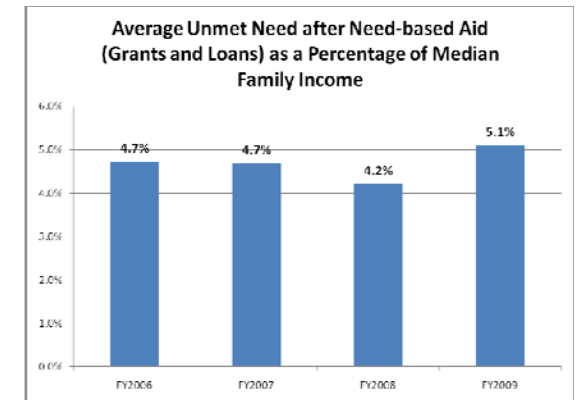


**Story behind the baseline:** Student need is defined as a student's cost of attendance (tuition, fees, room, board, books, transportation, and miscellaneous expenses) less the Expected Family Contribution (the contribution that the family is expected to make toward the cost of attendance; this is calculated for each student by the federal government through a federal needs analysis that is based on family income and assets as calculated

by completion of the FAFSA (Free Application for Federal Student Aid)). For the purposes of this report, unmet need is defined as the financial need remaining after all scholarships, grants, Federal Work Study and need-based loans are awarded, excluding parental supplemental loans, unsubsidized Stafford loans, and private loans. As one can see by the chart, the amount of average unmet need has been increasing over the past five years. One of the reasons for this increase is that the Federal Government has increasingly shifted aid away from grants and toward loans. Also, in this same time period, funding for Connecticut Aid for Public College Students (CAPCS), a State-funded need-based grant program, has varied from only 36% to 55% of formula.

**Proposed actions to turn the curve:** One of the ways CSUS has responded to this increase in unmet need is to increase the amount of tuition set-aside earmarked for need-based aid (from 16.28% of tuition revenue in FY2006 to 17.86% in FY2011), and we remain committed to continuing to fund this important source of need-based aid at these levels. It would also be extremely helpful to students with unmet need if the State would fully fund the CAPCS program.

### Performance Measure 2: Average Unmet Need per Undergraduate In-State Student as a Percent of Connecticut Median Family Income



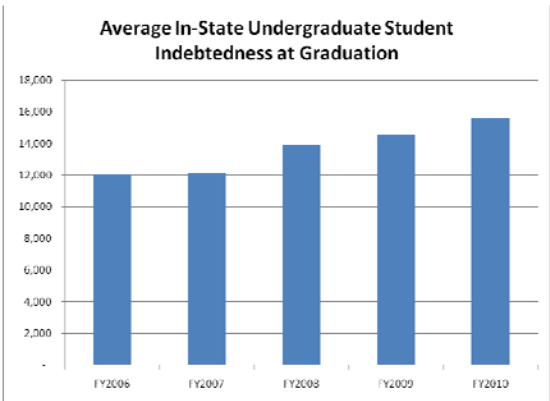
**Story behind the baseline:** Because Median Family Income in Connecticut had been increasing between FY2006 and FY2008, average unmet need as a percentage of Median Family Income declined in these years. However, in FY2009, a combination of the increase in unmet need and a decline in Median Family Income due to the ongoing economic downturn resulted in a spike in this ratio.

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*Quality of Life Result:* Higher education is within the reach of all students regardless of means

**Proposed actions to turn the curve:** CSUS recognizes that need has been increasing, and that the sources of need-based grant aid have been declining, as discussed in Performance Measure 1, and has therefore made a deliberate effort to exceed to the greatest extent possible the minimum requirement for tuition set-aside earmarked for need-based aid (from 16.28% of tuition revenue in FY2006 to 17.86% in FY2011, versus a minimum requirement of 15%). Also, in recognition of the impact of the continuing economic weakness on our students and potential students, the CSUS Board of Trustees has voted to freeze tuition and fees in FY12.

**Performance Measure 3:** Average Student Indebtedness at Graduation



**Story behind the baseline:** Average student debt at graduation has been increasing in recent years, at CSUS and nationally. The Federal shift from grant-based to loan-based aid, as discussed in Performance Measures 1 and 2 above, is the main contributor to this increase.

**Proposed actions to turn the curve:** The most obvious way to alleviate this trend is to increase the amount of grant aid available to students with need. CSUS is helping in this regard by exceeding the required percentage of tuition revenue set-aside for need-based aid. Also, the CSUS BOT has frozen tuition and fees for FY12. If the State were to increase funding for CAPCS, this would also contribute to a reduction in average student indebtedness. In addition, the Federal Government needs to shift the balance of financial aid from loan-based to grant-based, as it was in the past. While the maximum Pell Grant per eligible student is set to increase in FY11, and the maximum Expected Family Contribution (EFC) was raised as well, meaning more students will qualify for a Pell Grant, this is a very small step in the right direction. Education of the student borrower is also very important, so that the student fully understands their obligations before borrowing. The Federal government requires that all students complete entrance counseling prior to taking out a Federal student loan. CSUS will more aggressively pursue Federal and private foundation funding to increase the grant aid available to students.

