

Considerations for Strategic Planning Committee

Purpose of State Aid:

Miss. Code Ann. § 37-106-3. Declaration of purpose

(2) The purpose of the Legislature in the passage of this chapter is to make manifest the belief that the continued growth and development of Mississippi requires that all Mississippi youth be assured ample opportunity for the fullest development of their abilities and to recognize that this opportunity will not fully materialize unless the State of Mississippi moves to encourage and financially assist our young people in their efforts. This chapter shall be broadly construed to accomplish that purpose.

Comparison of Mississippi Aid Programs to Those in Other States (2018-19):

Tab 1: Highlights

Tab 2: All Aid

- Nationally, states awarded \$14.1 billion in total state funded student financial aid; the 16 SREB states awarded \$6.4 billion; MS awarded \$42.16 million
- Nationally, \$12.1 billion (85%) of state aid is undergraduate grants; in SREB states, \$5.4 billion (84%) is UG grants; in MS, \$41.4 million (98%) is UG grants
- Nationally, \$8.9 billion (74%) of UG grants is need-based and \$3.2 billion (26%) is non-need-based; in SREB states, \$2.6 billion (48%) is need-based and \$2.8 billion (52%) is non-need-based; in MS, \$23.9 million (58%) is need-based and \$17.5 million (42%) is non-need-based
- Nationally, states awarded \$1.8 billion in non-grant student aid, including loans, loan repayments, conditional grants, work-study, and tuition waivers; SREB states awarded \$773.6 million; MS awarded \$0.8 million.
- Twenty-four states nationally award \$2.6 billion in undergraduate aid based only on merit. Half (12) of these states are SREB states, which award \$2.3 billion (92% of all exclusively merit-based aid).
- Nationally, exclusively need-based aid (grants, loans, etc.) constituted 44% of all UG aid, exclusively merit-based aid accounted for 20%, other aid and aid with both need and merit components accounted for 36%; in SREB, exclusively need-based aid constituted 29% of all UG aid, exclusively merit-based accounted for 40%, and other programs accounted for 31%; in MS, exclusively need-based aid constituted 0% of all UG aid, exclusively merit-based aid accounted for 42%, and other aid accounted for 58%.

Tab 3: Fiscal Support for Higher Education

- Nationally, state aid represents 15% all state support for higher education; in SREB states, state aid represents 18% of all state support for higher education; in MS, state aid represents 5% of all state support for higher education.
- Nationally, the average undergraduate grant award per undergraduate full-time equivalent enrollment is \$930.82; in SREB states, the average UG grant award per UG FTE is \$1,194.10; in MS, the average UG grant award per UG FTE is \$323.31. Georgia, South Carolina, Louisiana, Tennessee, and New Jersey provided the most undergraduate grant dollars per UG FTE. Four of the five are SREB states.
- Excluding Washington D.C., South Carolina, Louisiana, Virginia, Georgia, and New Jersey had the highest proportion of total expenditures for state-funded grants compared to State fiscal support for higher education.

Tab 4: Loan Debt

- About 415,000 Mississippians have about \$15.2 billion in student loan debt (both federal and private loans) outstanding.
- In Mississippi, the average cumulative loan debt per borrower is \$36,600, which is 12th highest in the country.
- Mississippi has the highest percentage of borrowers who are late (90 days past due) on their loan repayments of any state.

- Mississippi has the second highest percentage of any state of the outstanding balance that is 90 days past due.

Tab 5: Primary Need-based Grant Program

- All states, except Georgia and Wyoming, have a primary undergraduate need-based grant, but these programs vary widely; 48 unique approaches in 48 states
- At \$6,042.23, Mississippi has the second-highest average award amount for the primary need-based grant (HELP). Other states award less funds to more students.
- Most state need-based grant amounts are determined and scaled relative to need, meaning that needier students receive larger awards; in Mississippi, the grants are equal to tuition, regardless of relative need.

Value of MTAG 1996-97 to present:

Tab 6: MTAG Value

Aid Year	MTAG Award Amount (Fr/So)	Average Community College Tuition	Percentage Covered by MTAG	MTAG Award Amount (Jr/Sr)	Average University Tuition	Percentage Covered by MTAG
1996-97	\$ 500.00	\$ 934.00	54%	\$ 1,000.00	\$ 2,426.00	41%
1997-98	\$ 500.00	\$ 960.00	52%	\$ 1,000.00	\$ 2,513.00	40%
1998-99	\$ 500.00	\$ 972.00	51%	\$ 1,000.00	\$ 2,764.00	36%
1999-00	\$ 500.00	\$ 1,015.00	49%	\$ 1,000.00	\$ 2,764.00	36%
2000-01	\$ 500.00	\$ 1,073.00	47%	\$ 1,000.00	\$ 2,864.00	35%
2001-02	\$ 500.00	\$ 1,278.00	39%	\$ 1,000.00	\$ 3,294.00	30%
2002-03	\$ 500.00	\$ 1,396.00	36%	\$ 1,000.00	\$ 3,599.00	28%
2003-04	\$ 500.00	\$ 1,419.00	35%	\$ 1,000.00	\$ 3,599.00	28%
2004-05	\$ 500.00	\$ 1,561.00	32%	\$ 1,000.00	\$ 3,850.00	26%
2005-06	\$ 500.00	\$ 1,692.00	30%	\$ 1,000.00	\$ 4,038.00	25%
2006-07	\$ 500.00	\$ 1,712.00	29%	\$ 1,000.00	\$ 4,295.00	23%
2007-08	\$ 500.00	\$ 1,721.00	29%	\$ 1,000.00	\$ 4,563.00	22%
2008-09	\$ 500.00	\$ 1,766.00	28%	\$ 1,000.00	\$ 4,742.00	21%
2009-10	\$ 500.00	\$ 1,835.00	27%	\$ 1,000.00	\$ 4,742.00	21%
2010-11	\$ 500.00	\$ 2,114.00	24%	\$ 1,000.00	\$ 5,067.00	20%
2011-12	\$ 500.00	\$ 2,174.00	23%	\$ 1,000.00	\$ 5,418.00	18%
2012-13	\$ 500.00	\$ 2,241.00	22%	\$ 1,000.00	\$ 5,906.00	17%
2013-14	\$ 500.00	\$ 2,377.00	21%	\$ 1,000.00	\$ 6,263.00	16%
2014-15	\$ 500.00	\$ 2,476.00	20%	\$ 1,000.00	\$ 6,411.00	16%
2015-16	\$ 500.00	\$ 2,577.00	19%	\$ 1,000.00	\$ 6,603.00	15%
2016-17	\$ 500.00	\$ 2,748.00	18%	\$ 1,000.00	\$ 6,907.00	14%
2017-18	\$ 500.00	\$ 3,104.00	16%	\$ 1,000.00	\$ 7,408.00	13%
2018-19	\$ 500.00	\$ 3,182.00	16%	\$ 1,000.00	\$ 7,729.00	13%
2019-20	\$ 500.00	\$ 3,266.00	15%	\$ 1,000.00	\$ 8,044.00	12%
2020-21	\$ 500.00	\$ 3,368.00	15%	\$ 1,000.00	\$ 8,172.00	12%

One Grant / Performance-Based Grant Program Model:

Administer one grant program that has basic eligibility requirements and makes scaled awards based on income with the lowest income students receiving the most and the highest income students receiving the least. On top of the basic grant award, students can earn “bonuses” for performance, such as attaining a certain ACT score in high school or completing 30 hours each year in college. Consideration should be given toward setting a maximum income or EFC threshold. The proposed program addresses several problems identified with current programs:

- Available to part-time and adult students, while still incentivizing full-time enrollment
- Prioritizes need over merit, while still recognizing and awarding merit
- Available to all students with financial need, regardless of ACT score

Basic Grant Eligibility Requirements:

- Mississippi resident
- Minimum 2.5 high school or college GPA
- FAFSA
- Minimum 1/4 -time enrollment in MS institution

Basic Scaled Award:

- \$2,000/year (or some base award amount) max for lowest EFC, scaled down to \$500/year max for higher EFC (900+)
- Lower award (perhaps half) amount at community colleges
- Pro-rated award based on less than full-time enrollment

Bonus Eligibility Opportunities:

- HELP Bonus for 20+ ACT (or possibly a little higher, since basic grant has no ACT requirement) and HELP Curriculum – only for students with EFCs up to 900 (or some threshold); students cannot lose the bonus once earned in high school, unless income increases beyond threshold; bonus may be pro-rated for less than full-time enrollment
- MESH Bonus for 29+ ACT – available to all students, regardless of EFC; students cannot lose the bonus once earned in high school; bonus may be pro-rated for less than full-time enrollment
- 30+ Hour Bonus – for all eligible students who earn 30 or more credits in an academic year

An early model of such a program based on 17-18 figures can be viewed on Tab 7: Redesign Project Model. This model would need to be updated with more recent enrollment data, increased base award amounts, updated bonus categories, and fewer EFC ranges.