
Connecticut Community Colleges Financial Aid Services

Looking Ahead to the 2002-2003 Award Year

**Executive Summary
December 2001**



Education That Works For a Lifetime

Introduction

In this paper, we examine the projected ability of the financial aid programs of the 12 Connecticut Community Colleges to continue to make access to our colleges available for students with financial need for the forthcoming 2002-2003 Award Year. We undertook this examination in light of our growing student enrollment in the community colleges, the uncertainty about increased support for the federal Pell Grant program, and the proposal to increase the tuition and fees charged to our students.

In preparing this report, we relied upon data generated from the SCT Banner Financial Aid System reflecting current 2001-02 Award Year student financial information as well as college financial aid allocations from existing federal, state, and institutional sources. We also have relied upon legislative analysis provided by the National Association of Student Financial Aid Administrators (NASFAA) as to the expected level of funding for the Pell Grant program for 2002-03 as well as System Office staff information concerning the recommended tuition and fee increases for the coming year.

Our analysis shows that given the current practices and trends at our 12 community colleges, the colleges will continue to be able to provide sufficient student financial assistance to students with financial need in the 2002-03 Award Year, regardless of the recommended tuition increase and possible level federal funding

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Financing Access

One of the basic tenets of a sound financial aid program is the program's ability to provide access to educational opportunity for all students, regardless of a student's financial need. We are fortunate in that the 12 Connecticut Community Colleges are able to meet the financial needs of our students in paying for a community college education.

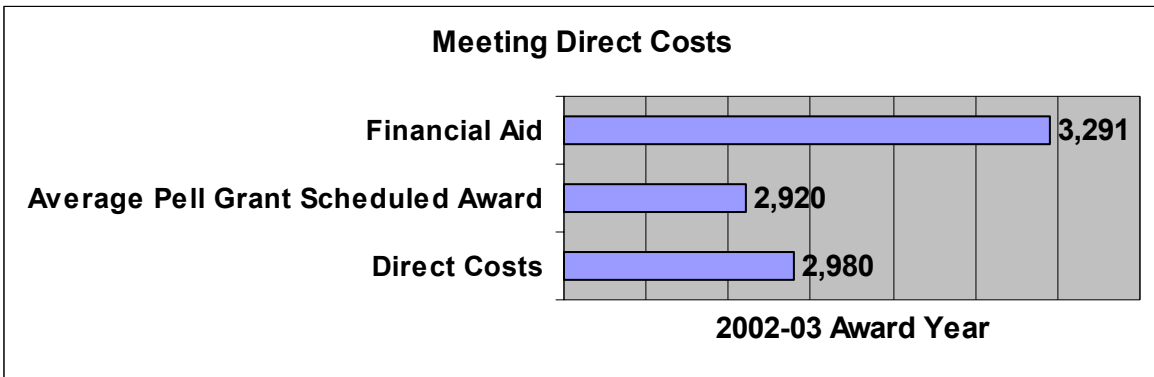
A student's ability (and parents if applicable) to contribute to the cost of college is determined through a complex formula known as the "Federal Methodology" which is annually updated by the Congress of the United States. Colleges are required to use this need analysis methodology in determining a student's eligibility for federal, state, and institutional financial aid. A student's Cost of Attendance represents direct and indirect costs associated with attendance at a college for the 9 month academic year. Direct costs in our community colleges are Tuition & Fees. We also consider Books & Supplies as direct costs in our financial need determination. A student is considered to have a financial need when her EFC (Expected Family Contribution) as determined by the need analysis formula is less than the Cost of Attendance at the college.

To help students meet the direct costs at a community college, the Board of Trustees approved a fund distribution methodology that provides for colleges to use "gift aid" (i.e. grants and scholarships) to meet the direct costs of students. Colleges are encouraged to develop a financial aid "packaging policy" that meets the financial need of all students up to the level of direct costs (tuition & fees, books & supplies), to the extent of available funds. The implementation of the Banner Financial Aid System has enhanced our ability to automate this packaging policy and ensure we meet the direct costs of students who demonstrate financial need to attend a community college.

For the 2002-03 Award Year, we project the community colleges using a direct costs figure of \$2,980. This direct costs figure includes the proposed Annual Full-time Resident Tuition rate of \$1,764 and Fees of \$216 for a total annualized cost of \$1,980. This represents a 4.76% increase over the currently-approved rate for 2002-03. We also have included a Books & Supplies allowance of \$1,000 in our direct costs figure. The direct costs figure of \$2,980 represents a threshold to which we seek to support for those students who may not have the financial means to contribute to their education at a community college.

2002-2003 Award Year Projections

During the upcoming 2002-03 Award Year, we project approximately 14,000 students will be determined to have a financial need to attend one of our community colleges and will be offered financial aid to meet the direct costs of attendance. Fortunately, the colleges will be able to meet the financial need of these students with grant assistance – thus ensuring access to opportunity. On average, colleges will be able to offer \$3,291 in grant



assistance to each student, thus ensuring access to full-time study at a community college for needy students. We have based these projections on current 2001-02 Award Year data from our financial aid information system. In our analysis, we used the projected 2002-03 direct costs total of \$2,980. We assumed level 2001-02 Award Year funding from all sources including the federal Pell Grant program.

Colleges will be able to meet the financial need of students in large part because of the availability of Pell Grant funds. **Currently in the 2001-02 Award Year, Pell Grant funds account for 52 % of grant aid and 47% of all financial aid disbursed to our students.** We estimate nearly 8,000 community college students will receive approximately \$14 million dollars from the Pell Grant program. The average Pell Grant Scheduled Award is based upon a student's EFC, cost of attendance, and full-time enrollment for a full academic year. Our student's average federally-funded Pell Grant Scheduled Award is projected to be \$2,920– nearly equaling the projected direct costs at our community colleges of \$2,980 for this Award Year. In our analysis we used current award year data including the current 2001-02 Pell Grant Award Schedule. The current maximum Pell Grant a student may receive each year is \$3,750. While the Pell Grant is scheduled to increase to a maximum of \$4,000 for the 2002-03 Award Year, it is uncertain if sufficient federal appropriations will occur. While both the House and Senate have approved legislation authorizing the increase in the Pell Grant to \$4,000, federal budget deliberations have placed the actual appropriation in jeopardy. Consequently, we used the existing \$3,750 maximum Pell Grant Award in our analysis.

In Conclusion

Our analysis suggests that given the significant increases in support of the community college financial aid programs from federal, state, and institutional sources over the past several years, the Connecticut Community Colleges are in a strong position to withstand the 4.76% recommended increase in tuition and fees without losing our ability to provide access to the educational opportunities we offer to our neediest students. Our commitment to need-based student financial aid remains strong. Our continuing improvement of the financial aid delivery system through our investment in technology and redesigned business practices helps ensure quality service to our students, sound financial management, and regulatory compliance.