

2010-11 Financial Aid Update
Chabot College
Las Positas College

Presented to Chabot-Las Positas
Community College District Board of Trustees
2/1/2011

Presentation Overview

- Goal of CLPCCD Financial Aid Offices
- Aid Provided at CLPCCD
- Responsibilities
- Accountability
- Statistics and Growth by college
- Fee Increase
- Trends & Challenges
- Accomplishments & Successes
- Adapting to Meet Challenges
- Summary
- Questions

See Facts Sheet for:

- How much could an individual student receive?
 - Who is eligible for financial aid?

Goal of CLPCCD Financial Aid Offices

To provide financial resources in an accurate and timely manner, to all eligible students who would otherwise be unable to fulfill their educational goals because of financial barriers, while assuring that compliance is maintained with all applicable government regulations and policies.

Aid Provided to Students at CLPCCD

- In 2009-2010, **11,757** students received **\$27,833,246** in financial aid in our district
- For current 2010-2011 school year, as of January 13, 2011, **12,078** students received **\$22,848,033**
- We expect the following to be a conservative estimate of financial aid for all of 2010-2011 through the summer term:
14,500 students are expected to receive **\$30,900,000** in aid

A Short List of Some Responsibilities

In addition to advising, intaking, evaluating, verifying, certifying, revising, awarding, disbursing, accounting, reconciling . . . we have annual campaigns

➤ Outreach:

- Fall Parent / College nights
 - What / When / Where / Why of Spring application process
- Winter
 - Cash for College campaign (meet March 2 Cal Grant deadline)
- Spring
 - ICanAffordCollege – community college FA application assistance
- Chafee outreach

➤ In-reach:

- Orientation
- Classroom
- Special Programs & Cohorts
- College Events

Accountability

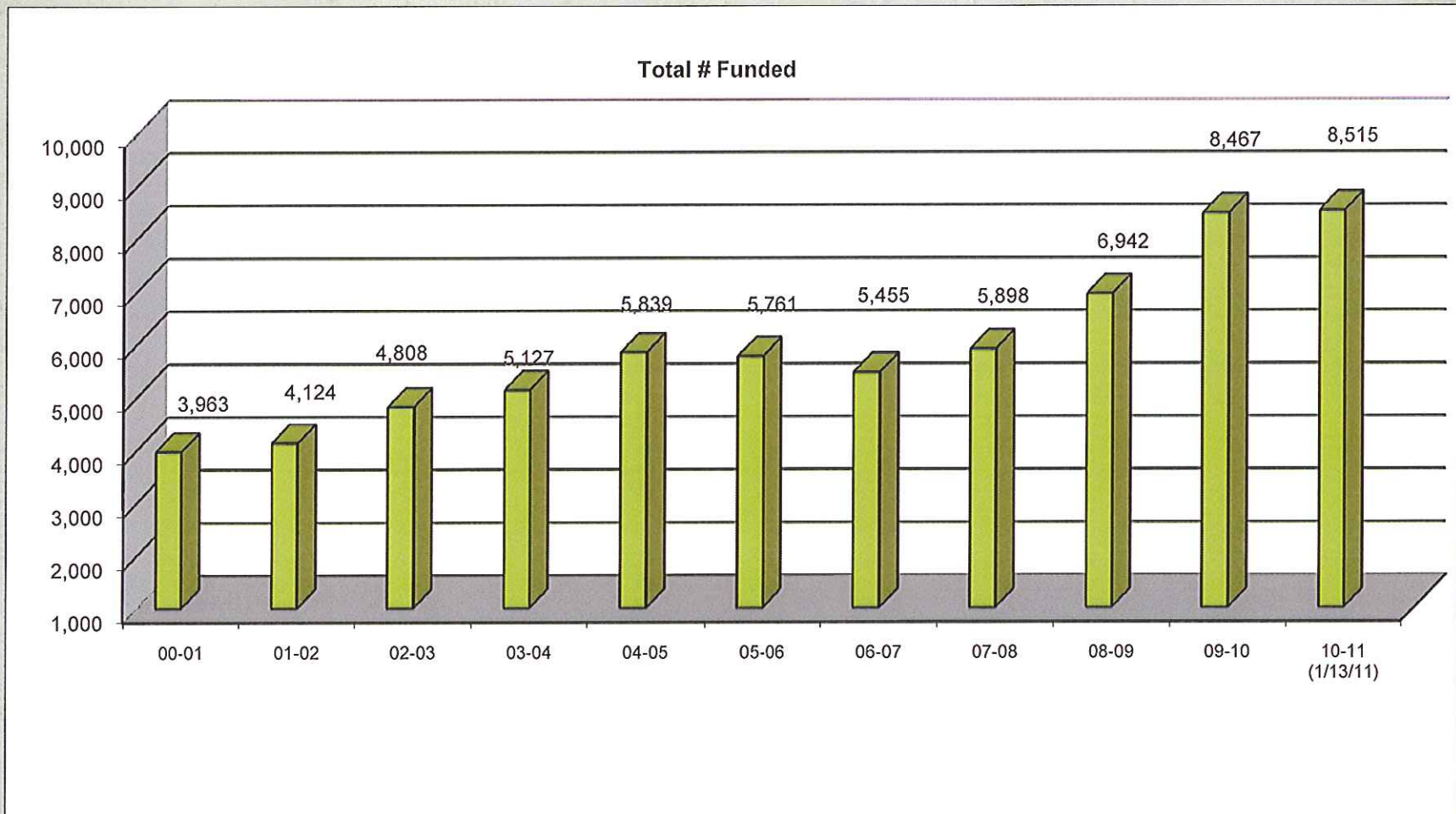
- Colleges are held accountable by multiple authorities
 - Federal government
 - California Student Aid Commission
 - CCC Chancellor's Office
 - EdFund (prior to July 2010, as loan guarantor)
- Annual audits – potential federal/state program review
- If errors are found, colleges are liable for funds disbursed incorrectly
- Colleges are evaluated by their loan default rate – high rates lead to sanctions or loss of eligibility

See Facts Sheet for:

- Accountability – Reports & Audits

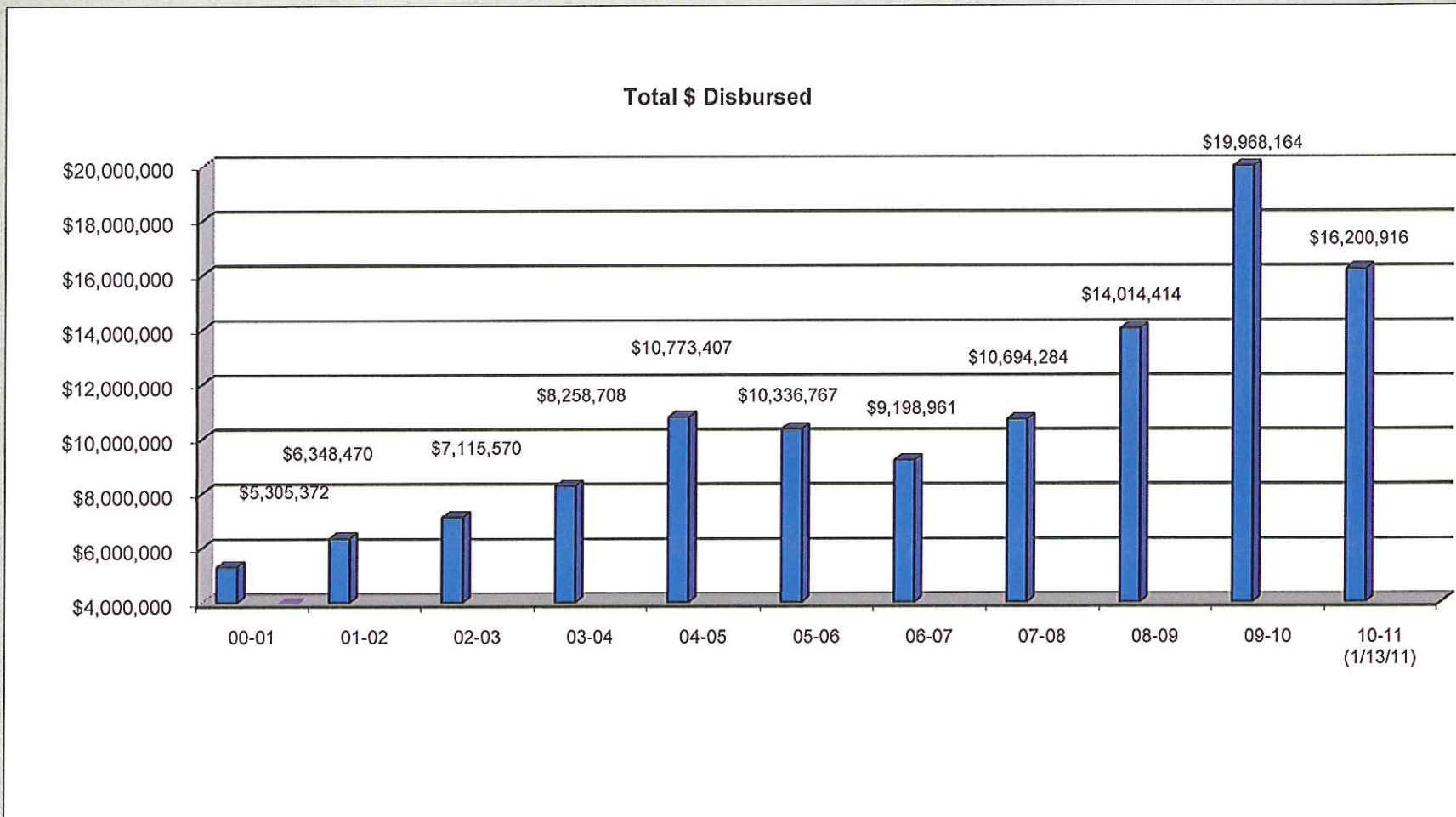
Statistics @ Chabot

Total Number of Students - Any Aid



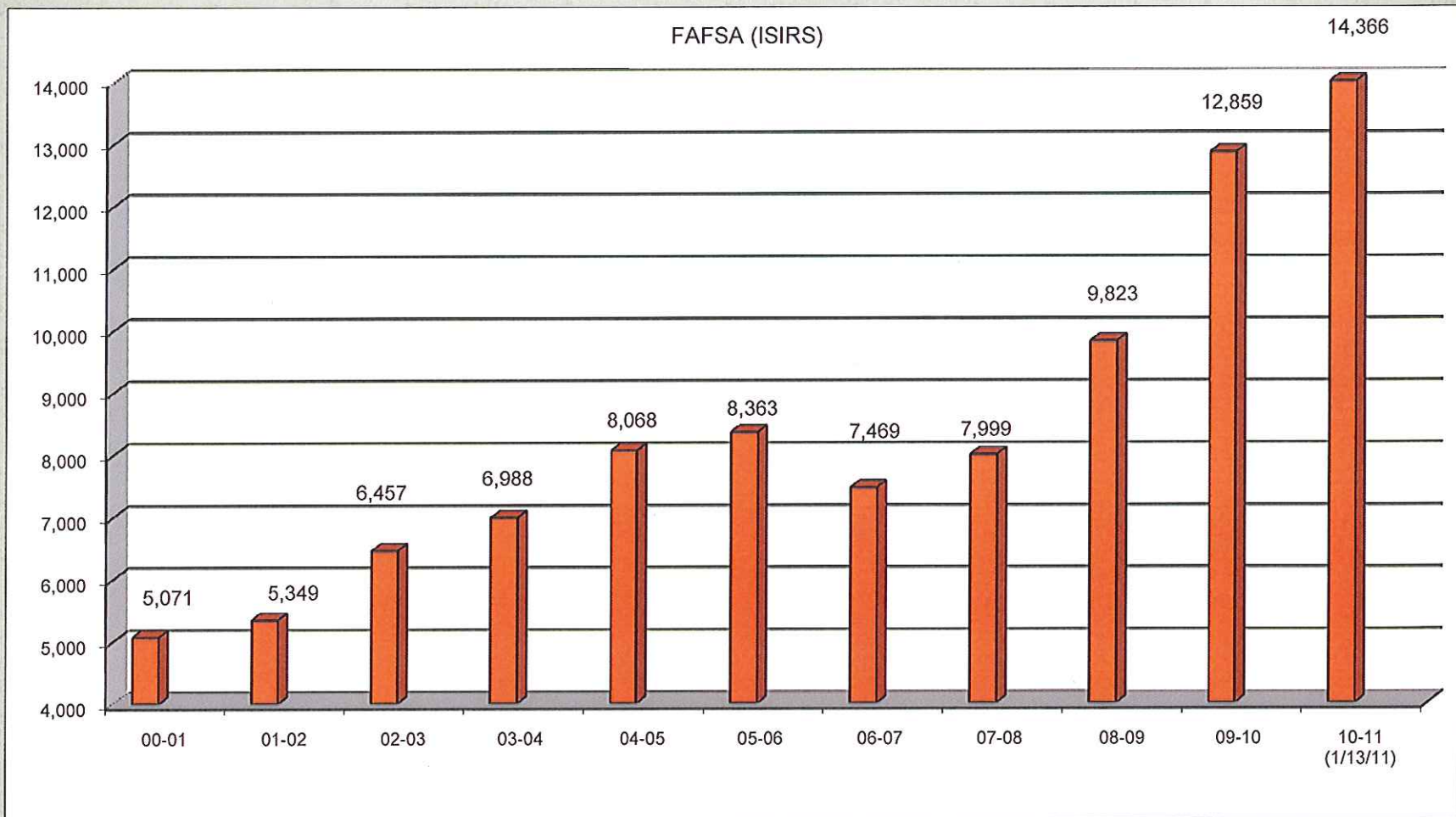
Statistics @ Chabot

Total \$\$ Disbursed - Any Aid



Statistics @ Chabot

Total Number Applications Received (FAFSA)



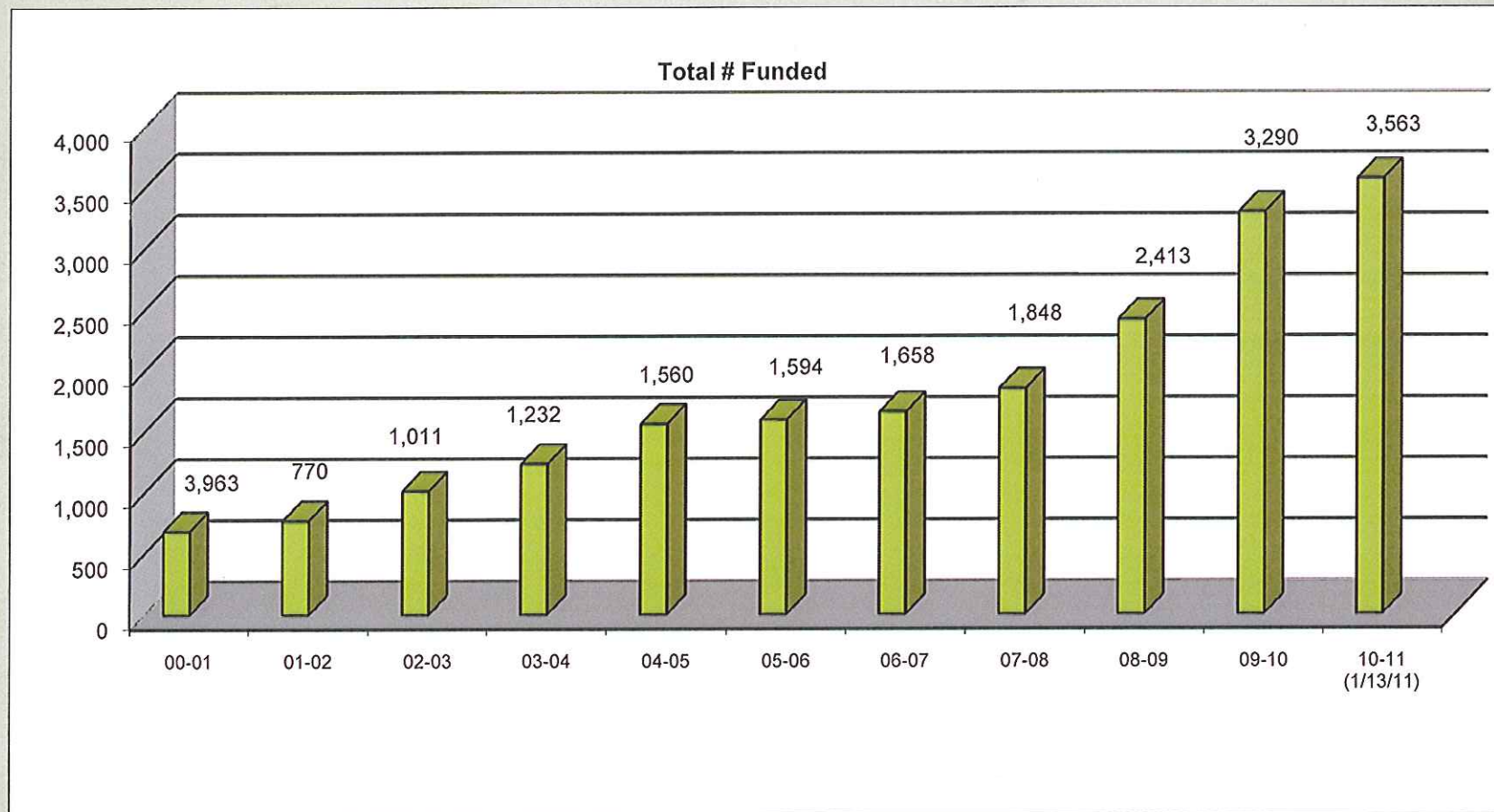
Chabot College F.A. Statistics

Five Year Comparison

	AY 2005-2006		AY 2009-2010		Percent Change	
	<u>Headcount</u>	<u>Amount</u>	<u>Headcount</u>	<u>Amount</u>	<u>Headcount</u>	<u>Amount</u>
<u>Federal</u>						
Pell	2470	\$5,488,540	4081	\$12,108,837	65.2%	120.6%
SEOG	760	\$186,938	813	\$235,716	7.0%	26.1%
ACG	N/A	N/A	156	\$110,685		
<u>State</u>						
BOG Waivers	5663	\$2,364,797	9167	\$3,305,628	61.9%	39.8%
Cal Grant	563	\$608,939	554	\$615,195	-1.6%	1.0%
<u>Loans</u>						
Subsidized	264	\$643,872	607	\$1,742,170	129.9%	170.6%
Unsubsidized	162	\$499,719	443	\$1,422,376	173.5%	184.6%
Totals		\$9,792,805		\$16,376,061		67.2%

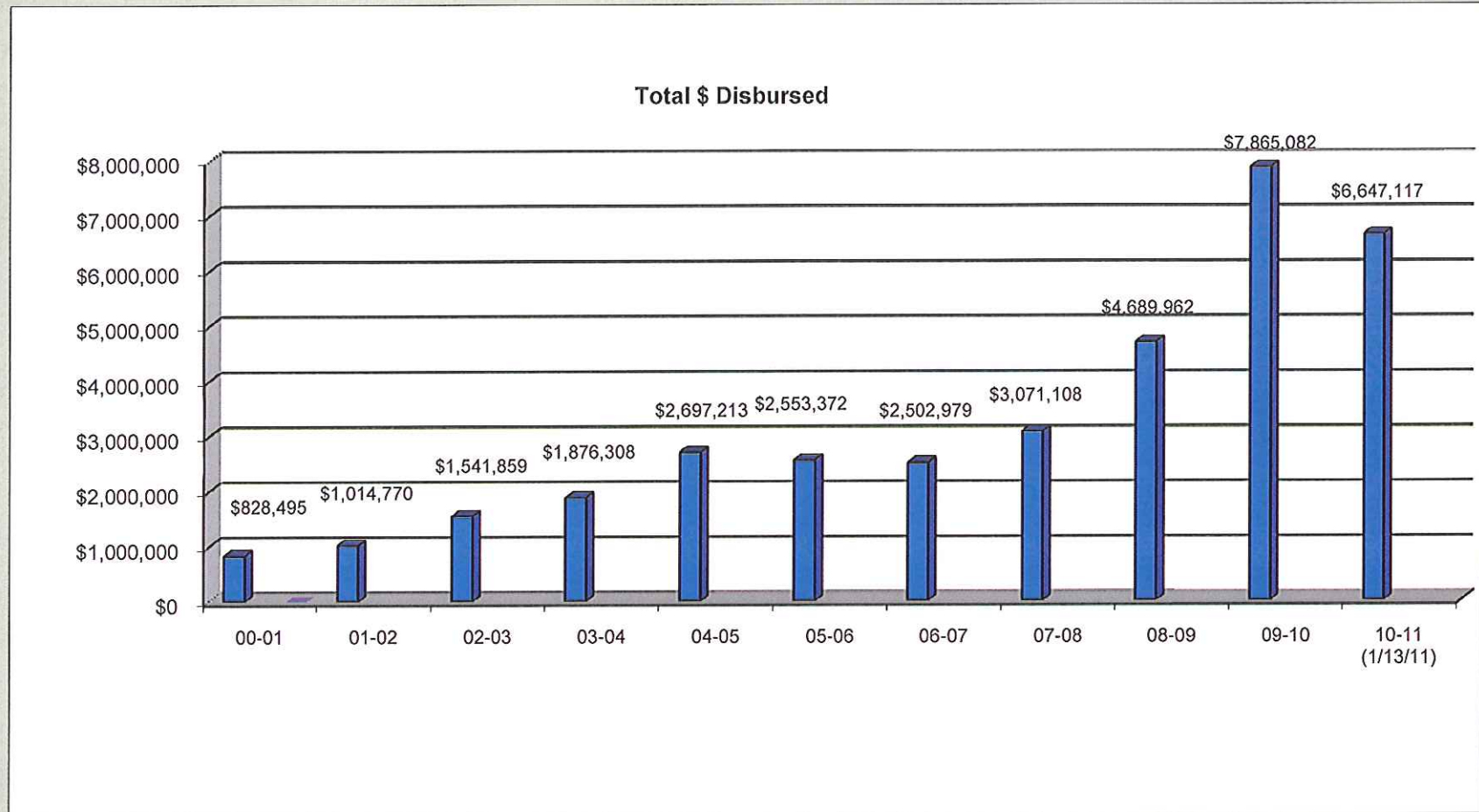
Statistics @ Las Positas

Total Number of Students - Any Aid



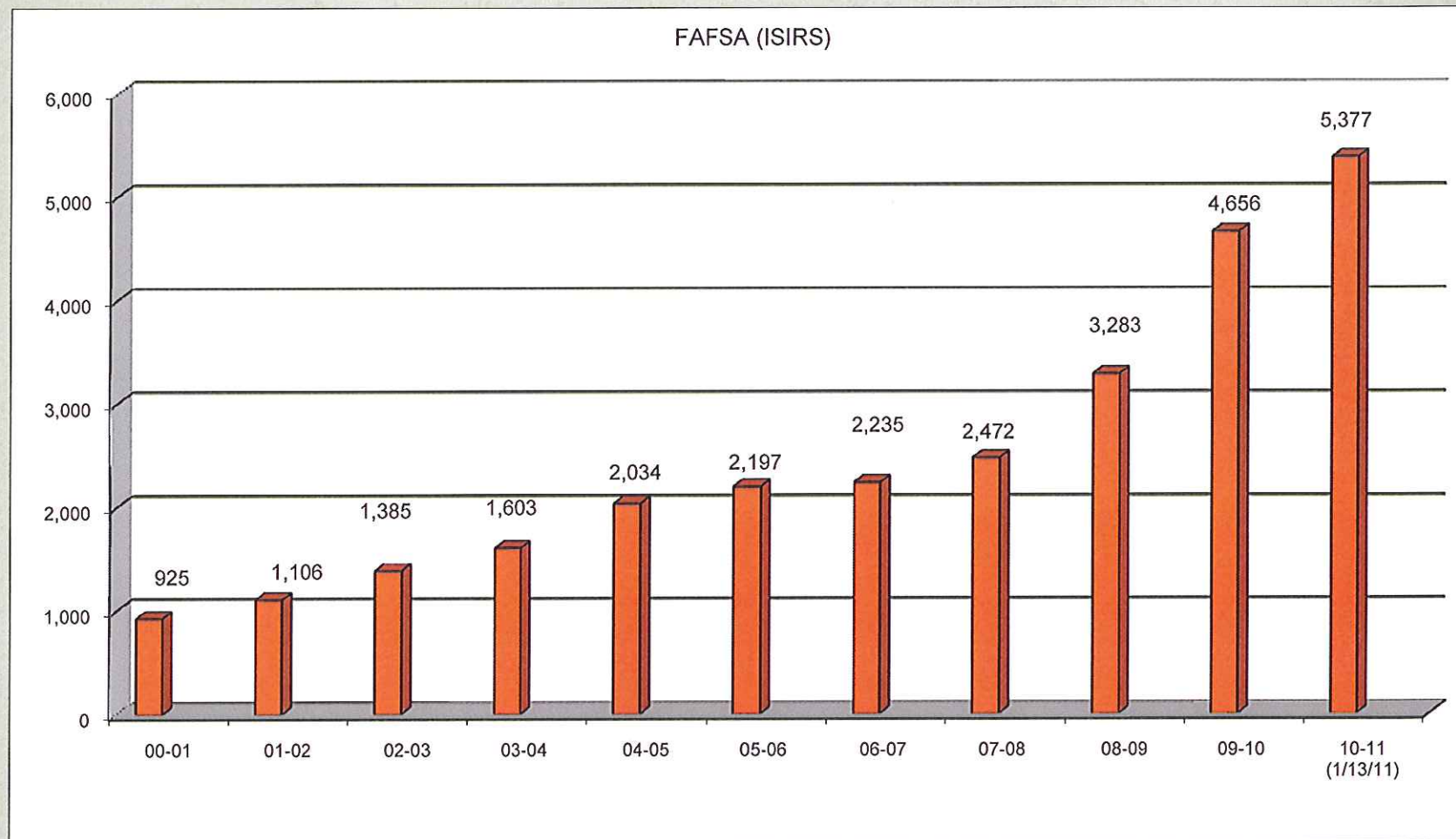
Statistics @ Las Positas

Total \$\$ Disbursed - Any Aid



Statistics @ Las Positas

Total Number Applications Received (FAFSA)



Las Positas College F.A. Statistics

Five Year Comparison

	AY 2005-2006		AY 2009-2010		Percent Change	
	<u>Headcount</u>	<u>Amount</u>	<u>Headcount</u>	<u>Amount</u>	<u>Headcount</u>	<u>Amount</u>
<u>Federal</u>						
Pell	668	\$1,351,902	1657	\$5,021,951	148.2%	271.5%
SEOG	159	45,200	138	\$66,900	-21%	47%
ACG	N/A	0	71	\$50,634		
<u>State</u>						
BOG						
Waivers	1711	\$520,338	4315	\$1,283,320	152%	146.7%
Cal Grant	131	\$156,029	183	\$201,195	39.7%	28.9%
<u>Loans</u>						
Subsidized	51	\$148,454	154	\$555,942	129.9%	170.6%
Unsubsidized	33	\$124,927	124	\$529,330	173.5%	184.6%
Totals		\$2,346,850		\$7,730,951		229.4%

In the News - Increased Fees

- If enrollment fees go up to \$36/unit, how will that affect our students?
 - If covered by BOG before, will still be covered.
 - As fees increase, the Cost of Attendance will increase
 - more students will actually qualify for the BOG Fee Waiver.
 - No negative impact regarding their financial aid eligibility

	\$26/unit	\$36/unit
Cost of Attendance	\$10,000	\$10,280
- Expected Family Contribution	10,200	10,200
= unmet need	No unmet need = no BOG ☹	\$80 unmet need = BOG ☺

Impact of Increased Fees

Challenge will be to

- Increase financial aid outreach and inreach efforts to counteract perceptions of non-affordability
- Encourage even more students to file FAFSA
- Be able to meet the increased impact of demand for our services due to increase in fees and decrease in affordability
 - Provide adequate staffing to provide advisement and services to potential and actual applicants.
 - If we cannot provide timely services to students, they will either not enroll to begin with, stop attending, or they will be unsuccessful, lose eligibility and discontinue enrollment entirely.

New Trends & Challenges

Trend in federal and state aid is to decentralize service and delivery and transfer the workload to the financial aid offices

- **Direct Lending** (July 2010) forced us to take on large workload burden as we took on functions previously provided by our lenders and guarantee agencies
- **Two Pell in One Year** (2009-2010) added huge workload to colleges to provide additional Pell funds to students in effort to accelerate their academic progress
- **'Simplified FAFSA'** – simplified application form results in more work for colleges
- **Decentralized Cal Grant** - would transfer the bulk of the workload from CSAC to colleges

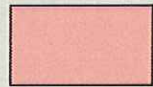
Recent Changes to Federal Regulations

- **Gainful employment rules** (effective 7/1/2011) may have significant impact on the colleges
- **Cohort Default Rate (CDR) calculation** (effective with 2008 CDR) now calculates default using repayment data of students entering repayment for three years instead of two

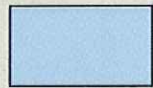
See Facts Sheet for:

- Decentralization & Recent Changes to Federal Regulations

2 to 3-Year Cohort Default Rate (CDR)



Numerator = # of borrowers from the denominator who default within a Fiscal Year



Denominator = # of borrowers who enter repayment within a Fiscal Year

Year 1	Year 2
125	230
5,000	

$\frac{355}{5000} = .071$ or 7.1% (old method of calculation based on 2 years)

Year 1	Year 2	Year 3
125	230	250
5,000		

$\frac{605}{5000} = .121$ or 12.1% (new method of calculation based on 3 years)

Example of how our 2007 CDRs would have been calculated if it were based on 3 years.
 2008 CDR is the first year of the new calculation.

CHABOT

Year 1	Year 2
10	7
157	

$17 / 157 = .108$ or **10.8%**

LAS POSITAS

Year 1	Year 2
3	1
42	

$3/42 = .071$ or **7.1%**

Year 1	Year 2	Year 3
10	7	5
157		

$22 / 157 = .140$ or **14%**

Year 1	Year 2	Year 3
3	1	2
42		

$5/42 = .119$ or **12.1%**

Major Challenges

Many of our students are borrowing excessively

- Huge increases in loan volume and amount of loan debt as students can borrow up to \$10,500/year.
- Excessive borrowing:
 - Aggregate loan limits have increased to \$31,000 for dependent undergraduates and \$57,500 for independent undergraduates. Students are leaving our colleges with huge amounts of debt which they may not be able to repay.
- The poor economy has forced many students to borrow because they don't have jobs and need to support themselves, their own families and sometimes their parents.
- Another phenomenon: students with prior bachelors degrees and high existing debt coming back to community college for retraining and requesting to borrow even more.

Major Challenges

Increased student to staff ratios

		2005-2006	2009-2010
Chabot	Unduplicated Headcount	21631	23180
Ratio	Director plus 9 staff	2163 students/staff	2318 students/staff
LPC	Unduplicated Headcount	10883	13532
Ratio	FAO plus 3 staff	2721 students/staff	3383 students/staff

Note: Our programs are entitlement and we cannot cap services.

Other Challenges

- New federal regulation effective 7/1/2011 **requires us to pay students by 7th day of classes** if they are eligible. We don't know how we will be able to comply without additional staff and/or reduced hours to allow sufficient processing time because of the procrastinating nature of our students. We can't advise students and process at the same time.
- Reviewing increasingly huge numbers of petitions for poor academic progress, and for special circumstances often due to loss of income often related to the poor economy. Nearly doubled in just 2 years. Very time consuming!

Other Challenges

- We see frequent cases of 'riches to rags' students attending, from formerly middle class families who have lost everything due to the current economy.
- Stressed out and difficult students and parents. When it comes to money they can be desperate, unreasonable, irrational and often very rude and abusive, in person, by phone and even by email!

Other Challenges

Financial Aid Fraud

- Identified rings at both colleges
 - Colleges must repay the government the amount of federal aid received by students who never attend; this represents a large liability to the district
- Each college is working closely with Dept of Education Office of Inspector General Special Agents
- Fraud is prevalent at low cost community colleges with low enrollment fees, resulting in larger amount of financial aid refunded directly to student, without tuition deductions
- LPC-Took proactive measures beginning Fall 2010. VP Baker sent letter to faculty informing them of the issue and encouraging their help by considering practices to minimize fraud, such as dropping students immediately who do not attend. Visited division meetings and spoke with faculty, lots of cooperation has led to significant decrease in payments to non-attending and fraudulent students.
- Chabot - the U.S. Attorney has accepted case for prosecution, which includes students from Ohlone, Chabot, LPC, City College of SF, Cabrillo, etc.
 - Spring 2010 communicated with faculty and administration, initiating very positive ongoing discussion with faculty regarding issues of enrollment, attendance, financial aid abuse and fraud, resulting in shift of awareness, understanding and culture

Accomplishments/Successes

Both Colleges:

- Transitioned to Direct Lending (Summer 2010)
 - Dept of Ed is now the “bank”
- Successful transition to Higher One third-party payment system for Financial Aid refunds via debit card. All financial aid payments are transmitted to Higher One. (8/2008)
- Moved to electronic communication (ZoneMail) to save mailing costs and staff time.

Accomplishments/Successes

Both Colleges:

- GOING GREEN AND SAVING MONEY! Cut down our mailing by 75% reducing postage and printing costs significantly by utilizing email to drive students to the Zone or Class Web for their account information.
- Continuously work to improve our websites. All office forms are posted for download, ease of access, and reduced printing cost.
- We are informing students UP FRONT that they must be responsible to review their info on the Zone. This technology empowers them with their information 24/7.

How have our FA offices adapted to the current challenges & growth?

- Each established and advertised priority file completion deadlines each term and stuck to them. Students who met the deadline were processed in time for payment first week of class, or were advised of ineligibility.
- Closed counter or reduced drop-in hours to allow more dedicated processing and awarding time for staff, so we could disburse to students more quickly, ultimately providing improved service to our students.
 - Students were very supportive when we clearly posted notices that we were closed for file processing - they were aware this meant their funds would be available to them more quickly, or eligibility known.
- Alternative ways to get information are available
 - Our financial aid information and forms are available on the web 24/7, and we can be contacted by email, phone and fax.

Meeting the Challenge

- Chabot disbursed more Pell August 2010 (1581 students, \$1,704,680) than August 2009 (1381 students, \$1,296,593) with same number of staff
- Las Positas disbursed 40% more students their Pell in August 2010 (906 students received \$926,187) than in August 2009 (648 students received \$613,088), with same number of staff

Electronic BOG Application

- Anticipated Implementation of Electronic BOG Application Spring 2011
 - Eliminate hundreds of staff hours in eligibility review and manual data entry for required state reporting each year
 - Data from application is programmed into appropriate Banner fields to determine eligibility and populate MIS reporting fields.

As always, we continue to promote the FAFSA as the easiest way to qualify for the BOG, as well as be considered for federal and state assistance for books and other educational expenses.

Moving Forward

- We must re-evaluate our service delivery as we continue to face extraordinarily difficult challenges given our current staffing levels, ever increasing workload, and severe budget limitations, in order to be able to get funds to our students in a timely manner, and to remain compliant with federal and state regulations
 - We continue to identify policies or practices in need of streamlining, improvement, or elimination and make changes when possible
 - We strive to simplify our procedures and eliminate 'red tape' as much as possible while still ensuring compliance
- Consideration of an increased level of support will enable us to continue to meet these challenges.

To summarize....

- Growth is unprecedented, astronomical and not expected to subside
- Federal regulations have shifted workload to the local level at the same time we face unprecedented growth
- Changes in regulations continue to impact us and make our jobs more challenging and difficult
- We're doing everything we can to support our students who are facing unspeakable financial difficulties during this historic economic recession