

[In these minutes: Student scholarships and financial aid]

## **STUDENT SENATE CONSULTATIVE COMMITTEE (SSCC) MINUTES**

**DECEMBER 10, 2009**

[These minutes reflect discussion and debate at a committee of the University of Minnesota Senate; none of the comments, conclusions, or actions reported in these minutes represent the views of, nor are they binding on, the Senate, the Administration, or the Board of Regents.]

**PRESENT:** Kathy Julik-Heine (chair), Jeffrey Anderson, Aaron Carlson, Manjari Govada, Andrew Hearet, Jonathan Lundberg, Andrew Smith, Greg Summers.

**REGRETS:** Kris Schwebler, John Worden.

**GUEST:** Kris Wright.

### **1. CHAIR'S REPORT**

Kathy Julik-Heine said that she was impressed with the questions posed last week to Maureen Ramirez at the Student Senate meeting. Aaron Carlson is working on the email to be sent to faculty regarding releasing the student release questions. She would like members to consider ideas for spring semester meetings and forward student association/assembly reports for posting on the web.

### **2. DISCUSSION OF STUDENT SCHOLARSHIPS AND FINANCIAL AID**

Kris Wright, Director of Student Financial Aid, joined the meeting to discuss student financial aid and scholarships. She said that her office is part of Academic Support Resources and administers financial aid for all the campuses including receivable and loans. The University has a high tuition/high aid model so she would like to show members what a student would experience in the system. She noted that each student has a different financial experience and that 40 percent of students have no contact with her office.

She distributed a packet that lists the cost of attendance (COA). This cost includes all expenses for one year of education – books, housing, transportation, tuition, and miscellaneous – and needs to be justified to auditors. In 2001, family/the student contributed 66 percent towards the COA, while this was down to 54 percent in 2008. Scholarship support has increased to \$78 million from the University, which is \$10 million more than the federal and state governments. During this time, student loans have also increased. It is hard for the University to award a student more than the COA in scholarships and PELL grants except for athletes.

The family contribution is based on a federal formula that many consider unfair but which cannot be adjusted by the University. As education has moved from a public good to a private benefit, PELL grants cover less of the COA. When people ask why a student can no longer work their way through college, most times the only figure being used is tuition and not the COA.

To receive any type of financial aid, a student must complete the FAFSA. Her office double-checks about one-third of the filers since it is such a complicated process. Once an award is made, a student can appeal to have the COA adjusted once to cover a special need, such as a computer, instrument, or medical insurance. Most students are not aware that this can be done. However last year there was a 40 percent increase in special circumstance requests, mostly due to job loss or divorce.

The University awards roughly \$300 million each year as a direct loan institution with decision made in July. The student loan amount is capped at \$5500 for a freshmen and \$7500 for a junior and senior. Work study can be awarded during the freshmen year, but if it is not used then it will not be offered again unless requested. Entrance counseling is required before the first check is dispersed. This check pays the University bill first with any remainder refunded to the student. The University would prefer that disbursements are made every two weeks to help students balance their resources throughout the semester, but the federal regulation is one lump-sum payment.

The University maintains its own U Promise scholarship program, previously the Founder's Scholarship. A middle income scholarship is new this year under the U Promise program, but a student can only qualify for one of these programs. Students receiving these funds are also receiving \$720 in stimulus funding. These funds will extend through next year and then be discontinued. Students from out-of-state do not qualify for stimulus funds and international students cannot receive any type of financial aid.

The best loan for a student is a federal loan due to its forgiveness options. Most private loans are based on credit scores and APR scores can vary. Student indebtedness is in-line with other Big Ten institutions. However bad credit can affect everything else in a student's future life. State grant funds are only available to a student for eight semesters so if a student takes longer to graduate, then they are missing a source of funding. This is why her office pushes students to have a graduation plan.

Q: From the diagram the University's percentage contribution to scholarships has doubled. Will student recipients then receive double the amount?

A: No since more funding has been put towards low-income students. Most students also receive a mix of need-based and merit scholarships.

Q: How does Wisconsin reciprocity work?

A: Previously, reciprocity payments were made to the state. When the state would not negotiate on a new arrangement, the University threatened to withdraw. Now Wisconsin sends a check to the University each semester.

Q: Has the University always had a high tuition/high aid model?

A: It has not always been high tuition, but the University's aid model has always been high compared to other institutions.

Q: How does study abroad affect financial aid?

A: There is a different aid program when studying abroad.

Q: Are the fees in the COA communicated to students?

A: Required fees are included in the COA, but course fees are not included since these vary by student.

Q: Would it be possible to save the stimulus funding for future years?

A: No, it must be used by next year.

### **3. OTHER BUSINESS**

With no further business, Kathy Julik-Heine thanked all members for attending and adjourned the meeting.

Becky Hippert  
University Senate