

**MONTGOMERY COLLEGE**  
**Trustee Information Program**

**Student Financial Aid Programs**  
**2002-2007**

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## **Student Financial Aid Programs 2002-2007 Executive Summary**

Montgomery College (MC) offers a variety of financial aid programs to help students pay for college. Twenty-eight percent (28%) of all credit students at the college receive some form of financial aid. The college disbursed more than \$28 million in financial aid to students in academic year 2006-07, a 9% increase in total aid compared to 2005-06. Of that total, 79% of our financial aid dollars were grant and scholarship aid.

The Federal Pell Grant program rebounded in 2006-07 and increased in both recipients and dollars received. However, Pell Grants provided only 37% of the 2006-07 financial aid dollars at MC, down from 39% in 2005-06. More Pell-eligible students are applying to MC, but the maximum Pell Grant remained the same for the past five years.

Montgomery College experienced a significant increase in Maryland state grants and scholarships this past fiscal year. The state's community college access initiative brought additional student awards, and larger awards per student. Direct funding for the state Part-time Grant and campus-based assistance increased. The dollar amount of financial support to students from all state grants and scholarships increased 38% in FY07.

Additional Board of Trustees (BOT) grant funds, combined with a freeze on tuition in FY07, helped many students enroll at the college. The BOT program experienced phenomenal increases due to the generosity of the Board and college administration -- a 90% increase in dollars and a 52% increase in recipients in 2006-07.

Our grant and scholarship resources also help reduce student borrowing. Loan volume did not increase in 2006-07. This may change next year due to higher annual student loan limits and more post-baccalaureate students enrolling at the college. (Students with prior bachelor's degrees can not receive federal grants.) MC's FY05 cohort default rate on Federal Stafford loans is 5.3%, well below the national average of 7.9% for public two-year institutions.

Student Financial Aid staff conducted many outreach workshops at middle schools, high schools, college fairs, and community groups, including the annual College Goal Sunday program. This is a nationwide college access program and our site has the highest attendance in the state. The College Director of Student Financial Aid presented on Montgomery College financial aid outreach activities at a community college symposium for the Federal Advisory Committee on Student Financial Assistance on December 10, 2007. This independent committee was created by Congress to advise on higher education and student aid policy. The one-day symposium focused exclusively on issues affecting community colleges, particularly topics related to enrollment, persistence, and transfer between two- and four-year institutions.

### **Implications and Discussion**

The maximum Federal Pell Grant increased \$260 this academic year (2007-08). Unless the Federal government implements additional increases, MC students will continue to rely on state and institutional funds to help pay for their education and avoid loans. The percentage of aid from federal programs declined 6% from 2005-06 to 2006-07; state and institutional sources of aid increased to fill the gap. But the campus-based state grants did not receive an expected increase in fall 2007, and future funding is uncertain. Additional BOT Grant funds have allowed hundreds of students access an education at MC, but approximately 3,000 eligible students who don't receive these grants each year do not enroll at MC. The maximum annual student loan limit increased this academic year, and we remain concerned about excessive borrowing if grant and scholarship funds do not increase or if they drop below current levels.

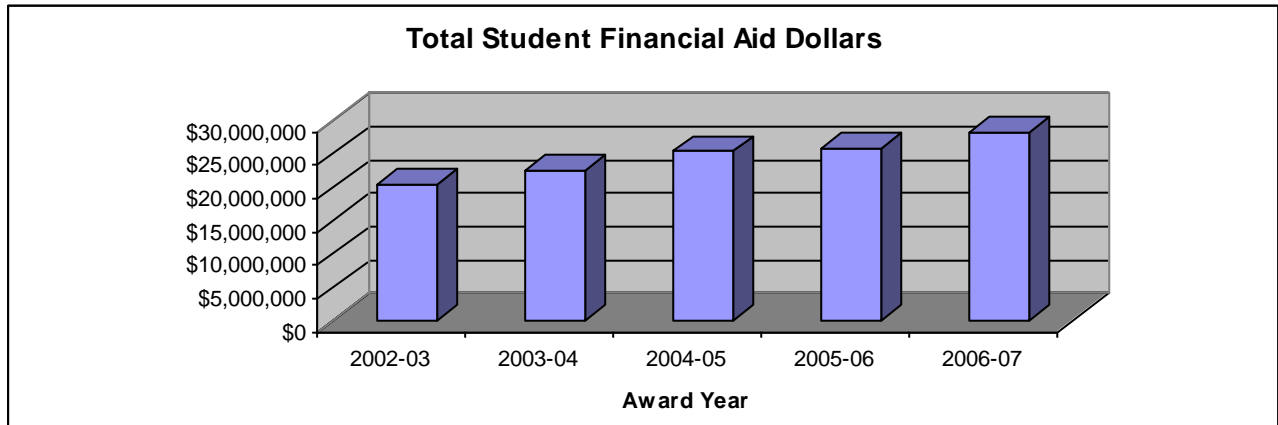
## Student Financial Aid Programs 2002-2007

### Fall 2007 Profile

- The college awarded over \$2.1 million in BOT Grants to more than 2,100 students for fall 2007. Eighty-seven percent (87%) of students awarded a BOT grant for fall 2007 registered for classes by the first day of the fall semester. There were 6,479 additional students who qualified for a grant, but we did not have enough funds to award any of them. Of the students who were not awarded a grant, 2,482 did not enroll at Montgomery College this fall. However, the number of grant-eligible students who do not enroll at the college has decreased each fall semester for the past three years.
- Eighty-eight percent (88%) of students awarded Pell grants for fall 2007 registered for classes. The number of Pell-eligible students increased 18% from fall 2006 to fall 2007.
- Applications for financial aid increased 10% from fall 2006 to fall 2007.

### Five Year Comparison

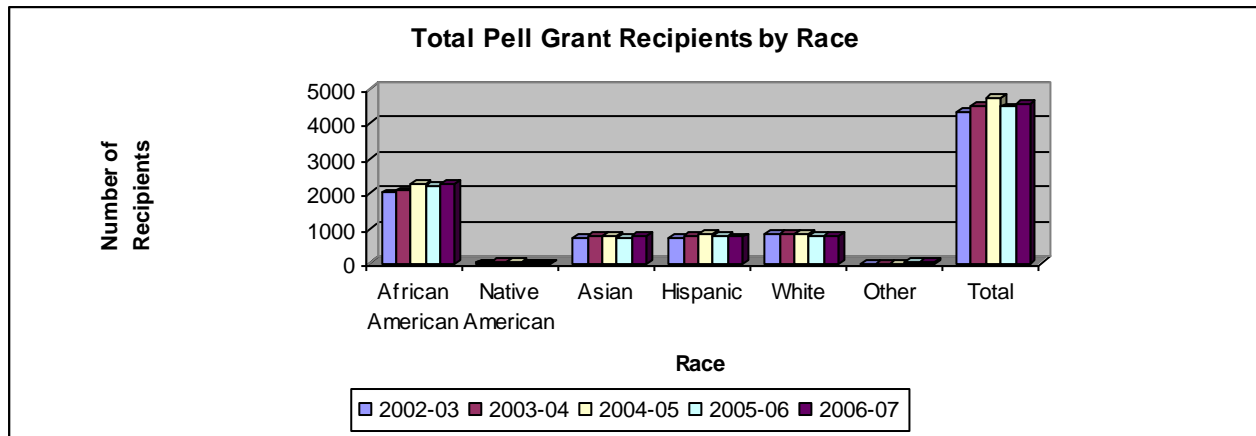
- The dollar amount of all student financial aid to students increased 39% in five years. The percentage of federal student financial aid declined 6% in 2006-07, although the total amount of aid increased 11% from 2005-06 to 2006-07 due to increased state and institutional resources. The portion of support from state grants and scholarships increased 3% in 2006-07.



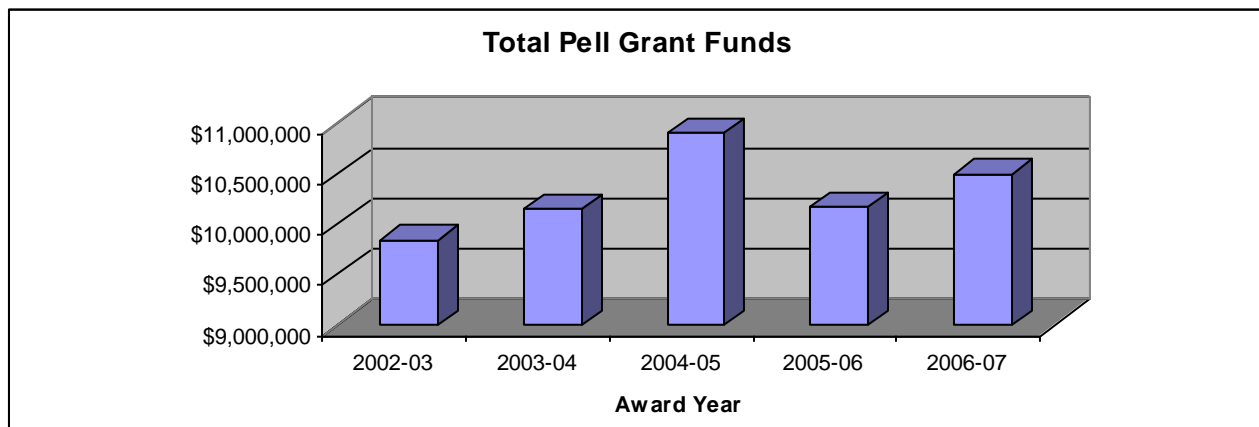
Award Year	2002-03	2003-04	2004-05	2005-06	2006-07
	\$20,358,412	\$22,465,491	\$25,327,079	\$25,827,829	\$28,273,248

January, 2008

- Pell recipients and dollars rebounded in 2006-07 with a small increase in both dollars and recipients. The maximum Pell Grant has remained the same for the past five years, but will increase in 2007-08.

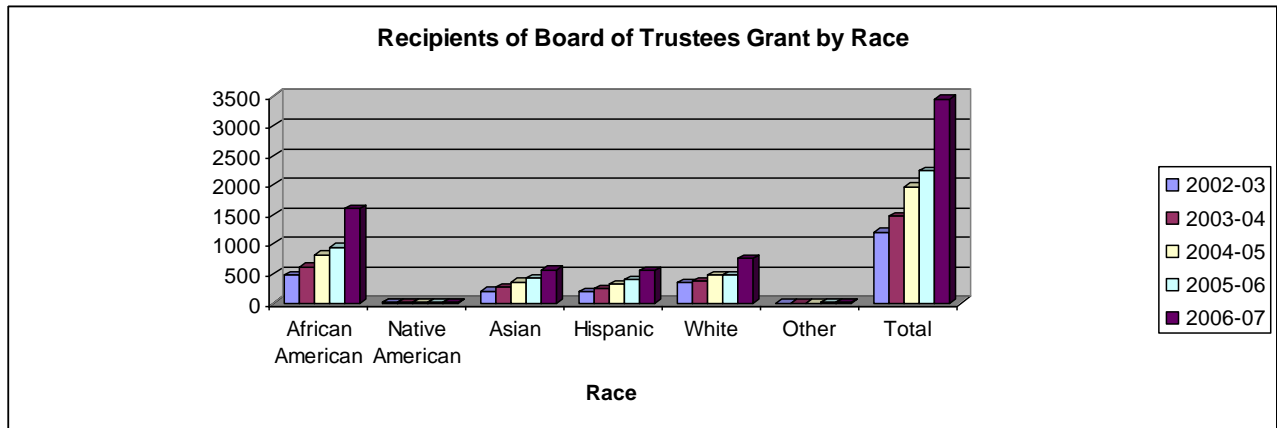


Award Year	African American	Native American	Asian	Hispanic	White	Other	Total
2002-03	2014	6	748	711	834	0	4313
2003-04	2072	12	763	804	857	1	4509
2004-05	2282	12	779	833	848	1	4755
2005-06	2207	5	700	781	774	11	4478
2006-07	2269	5	755	754	759	13	4555

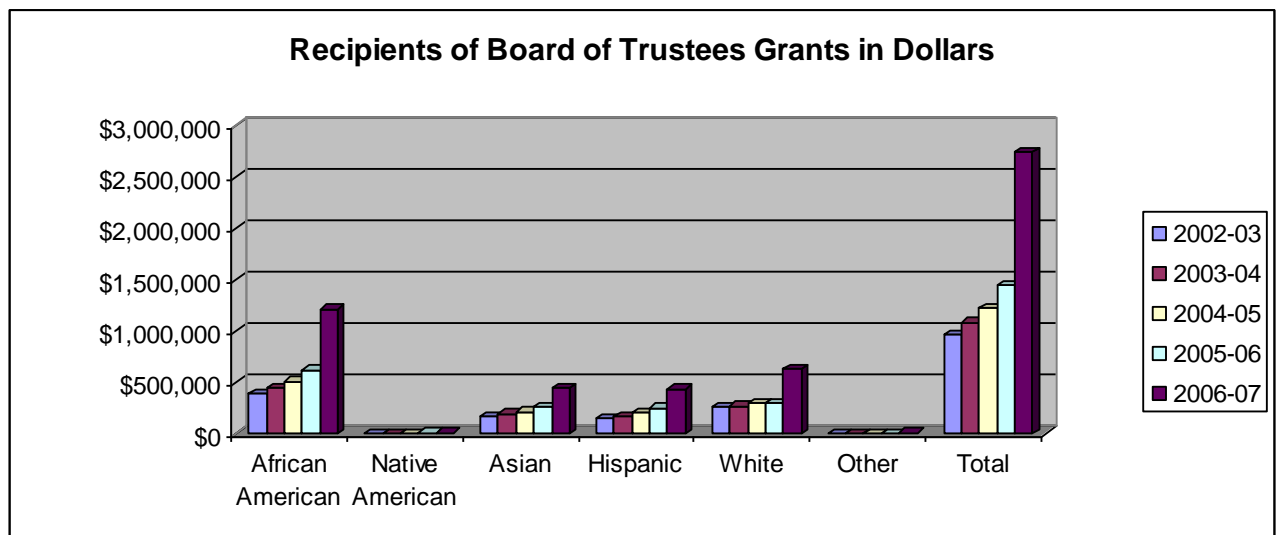


Award Year	2002-03	2003-04	2004-05	2005-06	2006-07
	\$9,839,581	\$10,149,850	\$10,901,400	\$10,167,423	\$10,495,251

- MC continues its commitment to helping needy students access a college education with Board of Trustees grants. The number of students receiving these grants increased 188% in five years, and the dollars awarded increased 185%.

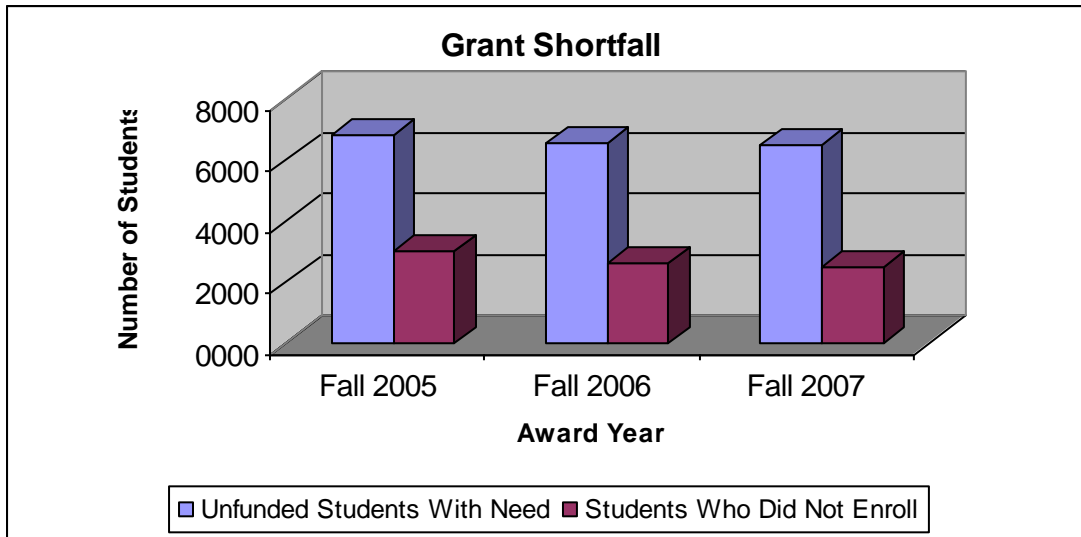


Award Year	African American	Native American	Asian	Hispanic	White	Other	Total
2002-03	468	2	196	190	342	0	1198
2003-04	602	2	260	239	364	0	1467
2004-05	818	3	360	314	470	1	1966
2005-06	946	7	420	393	465	2	2233
2006-07	1594	12	553	540	745	11	3455



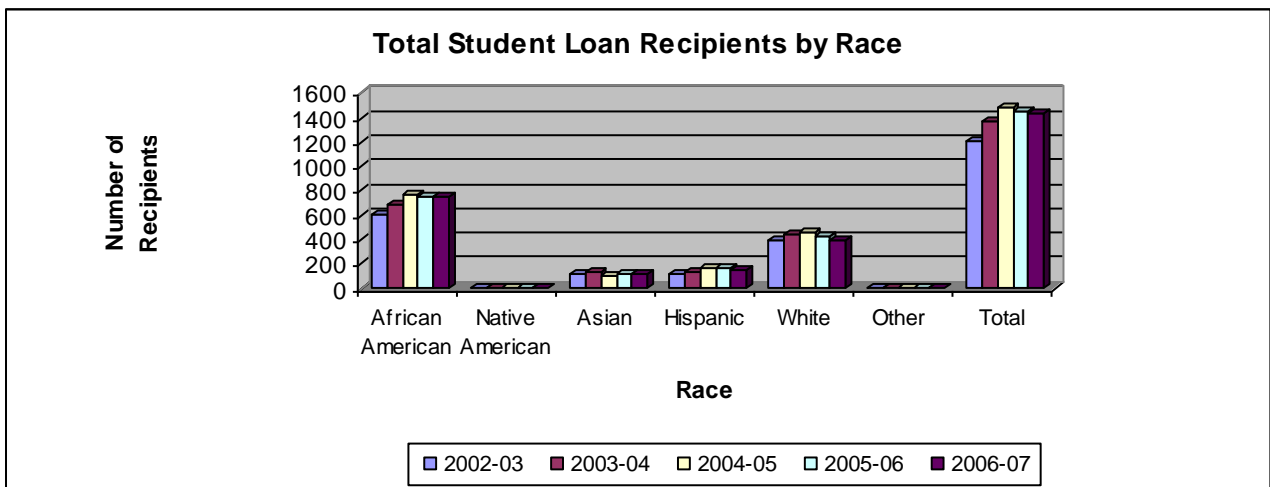
Award Year	African American	Native American	Asian	Hispanic	White	Other	Total
2002-03	\$384,897	\$1,500	\$164,026	\$150,275	\$261,534	\$0	\$962,232
2003-04	\$445,744	\$1,500	\$197,672	\$170,654	\$265,731	\$0	\$1,081,301
2004-05	\$506,239	\$2,000	\$212,995	\$198,541	\$299,380	\$356	\$1,219,511
2005-06	\$623,598	\$4,865	\$262,482	\$251,947	\$299,570	\$2,154	\$1,444,616
2006-07	\$1,210,240	\$11,638	\$449,318	\$437,662	\$624,980	\$7,560	\$2,741,398

- More students qualify for need-based Board of Trustees grants than the college can award; however, both the number of unfunded students and the percentage of these students who did not enroll at MC decreased from fall to fall over the past three years.



Award Year	Unfunded Students	Not Enrolled
Fall 2005	6810	3034 (45%)
Fall 2006	6572	2655 (40%)
Fall 2007	6479	2482 (38%)

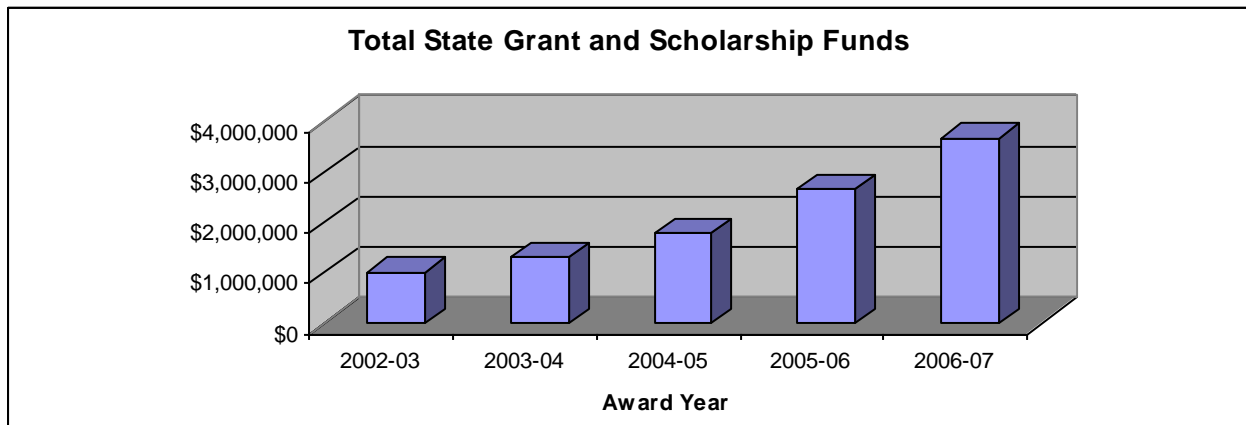
- Student loans continue to be the least preferred financial aid resource for MC students. Over the past five years the number of borrowers increased 19%, even though there was a decrease in loan recipients this past year. African American and White students comprise 80% of MC's current loan recipients.



Award Year	African American	Native American	Asian	Hispanic	White	Other	Total
2002-03	602	4	113	107	384	0	1210
2003-04	685	5	126	126	434	0	1376
2004-05	760	2	106	157	452	1	1478
2005-06	756	3	110	162	424	2	1457
2006-07	751	6	120	153	400	6	1436

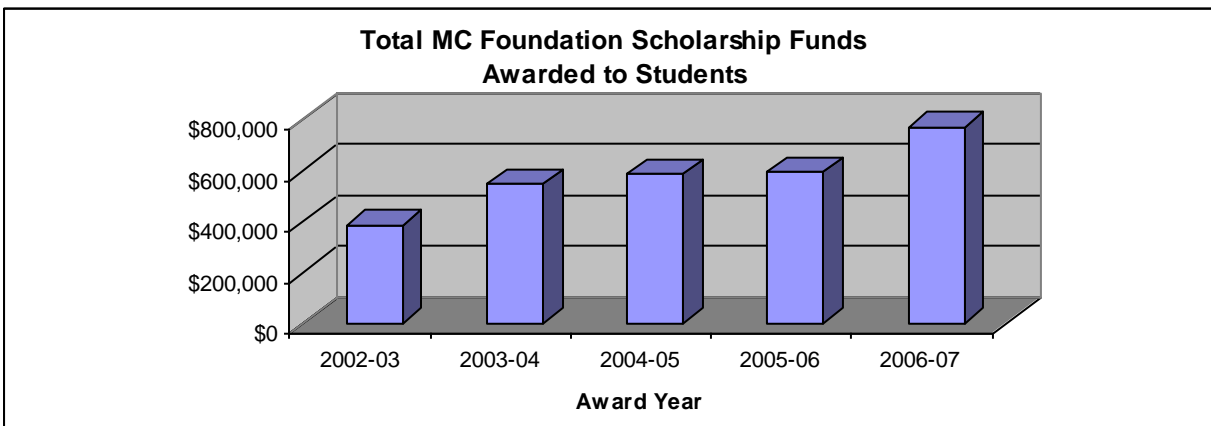
- Student assistance from Maryland State Grant and Scholarship funds increased 267% over five academic years and 38% in just one year, from FY06 to FY07. The state Part-time Grant and campus-based Educational Assistance Grant (EAG) programs contributed to a substantial influx of state dollars. Higher numbers of MC-bound students continue to apply for financial aid prior to the state’s March 1 deadline, which improves their chances of receiving assistance. Montgomery College leads the state community colleges in the number of state grant/scholarship recipients and the total financial assistance dollars received.

Aid to community college students state-wide in FY06 represented 15% of the total state financial aid dollars. This is an improvement over the 11% funding we received in FY05, and the percentage of community college recipients increased from 26% in FY05 to 29% in FY06.



Award Year	2002-03	2003-04	2004-05	2005-06	2006-07
	\$1,000,715	\$1,296,313	\$1,788,688	\$2,658,849	\$3,673,840

- Increased MC Foundation Scholarships also filled the gap left by decreasing Federal aid, and helped many students avoid loans to pay for their education. Support from MC Foundation Scholarships increased 100% over a five-year period.



Award Year	2002-03	2003-04	2004-05	2005-06	2006-07
	\$384,519	\$543,639	\$583,114	\$590,579	\$768,682