



Massachusetts Board of Higher Education

MASSGrant

Background

MASSGrant is the Commonwealth's primary need-based financial aid program, providing grants to students attending both public and private higher education institutions.

In FY06, MASSGrant awarded \$22.1 million in financial aid to more than 22,000 students.

FY06 awards	\$ (millions)	# students
UMass	4.6	5,265
State Colleges	2.7	4,150
Community Colleges	1.7	3,446
Private Institutions	13.1	9,273
Total	22.1	22,134

MASSGrant provides financial aid to students who have an expected family contribution (EFC)¹ no greater than \$3,850 per year. In order to be eligible a student must also be:

- a Massachusetts resident enrolled full-time
- maintain a minimum GPA of 2.0 and "Satisfactory Academic Progress" each semester
- attend a Massachusetts public institution or approved private institution either in MA or a neighboring state (with a pre-approved articulation agreement).

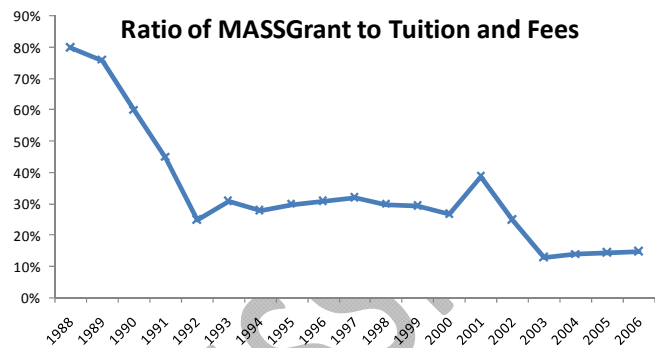
Policy and Process

State funding for MASSGrant is included in the comprehensive scholarship account, 7070-0065. Funding towards this account has grown in recent years, but additional resources have not benefited this program. The additional resources have been earmarked to expand other existing programs or to fund new financial aid programs. Over the past decade, funding for MASSGrant has declined as compared to other state financial aid programs. In FY88, funding for MASSGrant comprised 65% of the total available state financial aid; today it accounts for just over 30%.

Consistent with national trends, tuition and fees in Massachusetts have increased significantly over the past decade. State financial aid has not kept pace with these increases.

¹ EFC is considered a proxy of a family's ability to pay for college. An EFC of \$10,000 generally correlates with the state's median income of \$70,000.

As highlighted below, in 1988 MASSGrant covered approximately 80% of the cost of attending a MA public institution. Currently, it covers less than 15% of this cost.



The unmet financial need of students today is significant, and may be a deterrent to pursuit of post-secondary education. According to the BHE's *Task Force on Student Financial Aid*,² an analysis of financial aid applicants in FY05 revealed that 53,000 students who applied for aid had an average unmet financial need of \$8,390 per year³. One of the recommendations of the *Task Force* report was that priority in awarding financial aid should be given to students whose families are least able to afford college. As the primary needs-based program in the Commonwealth, funding MASSGrant ensures that financial aid goes to those most in need.

Recommendation

The BHE recommends a change in legislative appropriation language to earmark funding for MASSGrant.

The BHE also recommends a significant increase in MASSGrant funding, in order to expand both the average award and the number of eligible students. This could be done gradually: *phase one* - increasing the award to \$3,500 for every eligible student with an EFC no greater than \$3,850; *phase two* - expanding eligibility to students with an EFC equal to or less than \$10,000.

² Final report from the Task Force on Student Financial Aid, accepted by the Board of Higher Education Oct 2006.

³ Task Force on Student Financial Aid, Appendix Table 8