

AGENDA ITEM 8.

A CHANGE TO THE FY2007 MONETARY AWARD PROGRAM (MAP) RECOMPUTE FORMULA

Submitted for: Action

Summary: In January, the Commission approved a new Monetary Award Program (MAP) allocation formula used to calculate eligibility for students attending college during the FY2007 school year. When the state budget was approved, this “start-up” formula was replaced with a “recompute” formula that was based on updated knowledge about FY2007 appropriations and demand for the program. Staff recommended a recompute formula designed to increase grant awards and continue making award announcements through the end of August, consistent with prior years. The change to the formula was the replacement of the existing 9 percent reduction factor improving it to a 2 percent reduction factor, increasing the average award by about \$236.

The Governor’s Office goal has been to completely eliminate the reduction factor applied to MAP awards. ISAC staff estimates that to eliminate the reduction factor while maintaining the end of August suspension date, an additional \$7.6 million would need to be added to the appropriation, if staff estimates of the number of applicants is achieved. The Governor’s Office has made a commitment to find these additional funds, if necessary.

The Governor’s request to remove the two percent reduction factor would further improve college affordability for low and middle-income students by increasing the maximum award by nearly \$100 over the recompute maximum to its statutory maximum of \$4,968. The forecasted suspension date for MAP awards would remain the end of August. Completely removing the reduction factor would increase the average award by about \$304.

Action requested: Staff recommends that the Commission approve this change to the recompute formula that would further increase the effective MAP maximum award from \$4,869 to the statutory maximum of \$4,968. The reduction factor on the MAP award would be completely eliminated for the first time since it was imposed in 2003.