

### AGENDA ITEM 3.

#### ILLINOIS STUDENT ASSISTANCE COMMISSION MODIFICATION TO THE FY2004 MAP RECOMPUTE FORMULA

**Submitted for:** Action

**Summary:** At its June 23 meeting, the Commission acted to process or "recompute" 2003-04 Monetary Award Program (MAP) grants using Option 2, as presented in Item 8 of the agenda book for the June meeting. The recompute formula presented in that Option was based on a FY2004 MAP appropriation that included \$12 million added by the General Assembly specifically to help restore fifth-year MAP eligibility, which was eliminated in FY2003. This additional \$12 million brought the total FY2004 MAP appropriation to \$344 million (\$348 with possible funding from the federal government). To apportion out the \$12 million to fifth-year students, the eligibility unit cap was increased from 48 units to 54 units, giving MAP recipients eligibility for up to 4 ½ years of full-time study.

Subsequent to the June 23 Commission meeting, however, the Governor amendatorily vetoed ISAC's FY2004 appropriations bill, reducing the \$12 million added by the General Assembly for fifth-year MAP eligibility to \$6 million. As a result, the FY2004 MAP appropriation totals \$338 million, rather than the \$344 million assumed at the June 23 meeting. Thus, the FY2004 MAP recompute formula approved by the Commission in June has to be revised.

In keeping with the very clear direction provided by the General Assembly regarding the intended use of this additional money, and in recognition of the action taken by the Governor, staff is recommending that all awards to students in their fifth-year of MAP eligibility be reduced by half.

Importantly, it should be noted that this recommendation maintains the August 6<sup>th</sup> anticipated suspension date contained in the option approved by the Commission in June. Likewise, the number of students served would remain the same as projected in June. Students with less than 48 eligibility units are not expected to be impacted by the recommended action. Eligible fifth-year students would now receive only one-half of a semester award; however, the number of fifth-year MAP awards would remain at roughly 5,000, as projected in June. Please note that students in their fifth year of MAP eligibility have not been notified by ISAC that they will receive *any* MAP grant for 2003-2004, regardless of the amount.

**Action requested:** Staff recommends that the Commission modify the FY2004 MAP recompute formula approved at its June 23 meeting, with the only modification being that awards to students in their fifth year of MAP eligibility will be reduced by half. In the event that all or any portion of the vetoed funding is restored, these awards will be adjusted proportionately.