Financial Working Group - Chair: Connie Smith, Office of Student Financial Aid
Penultimate Report - May 3, 2019

Charge

Develop a set of recommendations about ways financial aid might be used to increase first year student retention.

Recommendations

The Financials Working Group has created the following recommendations to help remove financial barriers that may be a factor in retaining first-year students at the University of Maine. In the work of the Financial Working Group, four key areas of concern related to financial barriers and retention emerged. The recommendations have been not only sorted by priority but also grouped by the key areas in which they fall.

1. Financial Aid Awarding Policies
   a. **Create a persistence incentive scholarship program for continuing students.**
      In an effort to encourage students to not only persist from semester to semester, but also in alignment with Think 30 and getting students to complete 30 credits in an academic year, we propose that institutional funds be allotted to allow for a Persistence Incentive Scholarship. Parameters for this scholarship can be flexible; for example if a student completes a specified number of credits each academic year, they could receive $1,000-$3,000 in Persistence Incentive Scholarship. We are proposing focusing on "at-risk" students, so either Federal Pell eligible continuing students, or piloting this with continuing INSPIRE Maine students. With marketing around an award program like this, we not only encourage students to be thinking about their long-term educational plan, but also assist in reducing overall loan debt.

      Based on 2018-2019 data, the following are the number of students who are Federal Pell Grant eligible and were a minimum of 12 credits (full-time) each semester in each cohort based on an anticipated persistence rate (current persistence rate plus the institutional persistence increase goal of 5%) across each cohort moving into 2019-2020.

Cohort	Number of Students taking into account Current Persistence Rates plus 5% increase goal
Freshman	520
Sophomore	399
Junior	277
Total	1,196

      We recommend incrementally increasing the amount of scholarship awarded to each grade level. Advancing freshman would be awarded $1,000 for their sophomore year.

Advancing sophomores would be awarded $2,000 for their junior year. Advancing juniors would be awarded $3,000 for their senior year.

Based on these parameters the following is the estimated expense of instituting a persistence scholarship.

Cohort	Estimated $ Amount
Freshman	$520,000
Sophomore	$798,000
Junior	$831,000
Total	$2,149,000

b. **Expand the pilot INSPIRE Maine scholarship program to include not only the monetary value of the award, but also a structured support for students in this program, through their first-year.**
During the 2019-2020 academic year, the University of Maine is piloting the INSPIRE Maine scholarship program. INSPIRE Maine guarantees that a student meeting the requirements, will receive enough federal, state, and institutional grant and scholarship funds to cover the cost of tuition and fees for the academic year. This program is targeted to In-State, Federal Pell Grant eligible students with a strong high school academic record - our low income Maine families. It is proposed that as we move into the 2020-2021 cycle, INSPIRE Maine becomes more than just a financial aid initiative. Students who are eligible for the INSPIRE Maine scholarship would receive additional advising support from student support services, academic advisors, and financial aid advisors prior to coming to campus and through their first year. By requiring a certain number of advising sessions (for example, an INSPIRE student would be required to meet with a financial aid advisor at least once each semester, or at certain checkpoints throughout the semester they would need to meet with their academic advisor or student support services), the campus would ensure that this higher risk population of students are being special handled. Additional outreach and communication can also be targeted to this group around FAFSA and verification completion, financial literacy, and other important student success topics.

c. **Purchase a Scholarship Management Tool through Campus Logic's Scholarship Universe to manage University, Foundation, and outside scholarship administration.**
UMaine is in dire need of software to help us manage restricted scholarships, currently numbered at over 2,000 and growing rapidly. With a scholarship management tool such as Scholarship Universe, the Office of Student Financial Aid would be able to award restricted and college scholarships to students earlier in the awarding cycle - including

matching First Year students with potential scholarship money sooner in the award year, eliminating the need to exchange funds after students have been awarded, provide a central repository for fund data such as scholarship criteria, financials, donor information, and recipient data, provide a central, branded, online location for students to access information about, and apply for, scholarships, auto-match students to applicable scholarship opportunities, better connect donors and recipients through online profiles and thank you letters, improve donor reporting capabilities, and improve internal reporting capabilities. Successful implementation of a product like Scholarship Universe will result in improved access to scholarships for students, better fund utilization, internal processing efficiencies, more opportunity for donor/recipient interaction, and ultimately enhance our stewardship efforts.

d. **Allocate funds to create an Institutional Work Initiative program (mirroring Federal Work-Study).**
Currently UMaine offers on-campus work opportunities for students who have been awarded Federal Work-Study and students who have not. Students who have not been awarded Federal Work-Study have limited options for on-campus employment since department funds used to hire students are limited. Research shows that working on-campus can be directly related to a student's persistence in college. From building strong on-campus connections through their employing department, earning discretionary funds to assist with educational expenses, helping students learn time management skills, and developing important skills for resumes, there are countless benefits of on-campus, part-time employment. As such, we recommend creating an Institutional Work Initiative, that allocates work-funds to students who may not have Federal Work-Study eligibility to incentivize campus departments to hire more student employees. We recommend allotting $150,000 to this program to provide approximately 50 $3,000 awards during the academic year.

2. Communication
   a. **Use technology as a tool to more effectively communicate across generational gaps. Create multi-use video content to target parents, students, and high school counselors.**
   Diversify the way the Office of Student Financial Aid and Bursar's Office communicate with students, families, and high school counselors. This is essential to educating students before they come to UMaine and during their first year about important financial processes, deadlines, and information. We propose that video content, including short tutorials and webinars be created to assist in communication. This content would be accessible via the umaine.edu/stuaid website and social media. In addition, it could be easily integrated into First Year Success courses or as training requirements for first-year students. Video content via webinars hosted by Financial Aid throughout the recruitment season for high school counselors is another way to engage high school students about important financial aid information prior to their first semester at UMaine.

   b. **Implement proactive billing communication and flexible payment plan options through the Bursar's Office by acquiring outreach resources through ECSI.**
   ECSI is a third-party servicer that provides a product called RecoverySelect. There are two main focuses of this product. The first is to provide flexible payment plan options for students. Currently, the Bursar's Office is limited in its flexibility of the offered semester payment plans. The flexibility of RecoverySelect's payment plans allows students to

spread payments over a greater amount time. It is anticipated that more flexible payment plan options would result in greater student return each semester. The second focus of this product is the outreach and communication for students with balances each semester. This product provides letter, mail, email, and online communications to students to resolve balances sooner (allowing students to re-enroll and return). This type of proactive accounts receivable outreach is currently unable to be done in-house due to lack of staffing to perform such tasks.

3. Collaboration with Academic Advisors and Faculty
   a. **Develop training/communication plan with academic advisors and faculty to be better equipped to communicate with students about basic financial matters, and to be more comfortable identifying when a student needs to be referred to the Financial Aid Office.**
   To better equip academic and faculty advisors with the information needed to provide basic financial aid guidance to students, and to identify when the student should be referred to the Office of Student Financial Aid, we propose that required financial aid trainings be provided to academic advisors throughout the academic year. In addition to in-person trainings, a communication plan would be created so that a direct pipeline between important financial aid information and updates exists. For example, committing to the creation of a monthly Financial Aid Newsletter for Advisors, providing in-person financial aid "on call" hours in advising center, and providing publications and materials to advisors and faculty.

4. Outreach/Education
   a. **Expand Maine high school outreach, to provide financial education to high school families and high school counselors.**
   Expanding outreach to Maine high schools will not only assist in creating and strengthening relationships with high schools but also in educating high school seniors and families about important financial aid information before they get to campus and before it potentially becomes a barrier for retention. This outreach includes, but is not limited to, financial aid advisors providing in-person assistance/presentations during key financial times (FAFSA filing, Verification, Reading Financial Aid Awards, Estimating Bills, Loan Borrowing), providing publications and resources to high school counselors, and establishing the UMaine Office of Student Financial Aid as the authority for financial aid information in the State of Maine. There is an opportunity to collaborate with FAME and MASFAA (the Maine Association for Financial Aid Administrators), who through their already established programs, have a strong presence in Maine high schools.

Background/Rationale

What Global evidence is there that financial factors impact first year retention at four-year institutions?
Our group identified multiple sources of evidence that support the above key areas of focus. Please refer to the attached bibliography to view the specific sources.

How do financial factors impact first year retention at UMaine, and how have UMaine's financial aid policies and practices been used to offset negative impacts?
The role of the UMaine Financial Aid Office has evolved. From being primarily a "Student Service" office, we have moved into a more prominent role in the area of enrollment management, highlighting

the importance of financial aid in not only the recruitment of UMaine students, but also in retaining them. This shift has required the financial aid office to change UMaine's packaging philosophies, which has caused both positive and negative impacts. The amount of merit being awarded to incoming students has substantially increased - every new student receives some kind of merit award, and receives it for all four years. This guarantee of merit, provided that they maintain renewal criteria, supports student retention. Moving from need-based packaging to merit-based packaging has presumably had negative impacts on retention efforts. Our neediest (low income/Federal Pell Grant eligible) out-of-state students are receiving significant merit awards, however their eligibility for other need-based University funds has decreased. As a result, their net award amounts have decreased over the years. This overall decrease in need-based aid has resulted in a lower retention rate for some of these students.

We have identified Federal Pell Grant eligible students as a population at high risk of not being retained. In examining data from three years of incoming first-time, full-time fall admits, from the Fall 2015, Fall 2016, and Fall 2017 cohorts, approximately 42% of the students were high-need and not retained (Financial Characteristics of Retained and Non-Retained First-Year Students, 2019). In this context, many of our above recommendations were developed to address this population.

Resource Information
Below is the initial estimated key resources that would need to be considered to implement each of the recommendation noted previously.

1. **Create a persistence incentive scholarship program for continuing students.**
   Operating Expenses: Estimated figures based on:
   Federal Pell Eligible students who had a minimum full-time enrollment (12 credits) during the Fall and Spring semester. Recommendation is that Advancing First-Year (would receive their second year) students receive $1,000, Advancing Second-Year (would receive their third year) students receive $2,000, and Advancing Third-Year (would receive their fourth year) students receive $3,000 in persistence scholarship. This increase per grade-level is recommended to counteract the increased Federal Loan eligibility that a student receives each time they advance a grade level.
   Total estimated spend in one academic year: $2,149,000
   Estimated spend for each grade-level-
   First Year: $520,000
   Second Year: $798,000
   Third Year: $831,000
   Personnel: N/A
   Space: N/A
   Equipment: N/A
   Software: N/A

2. **Expand the pilot INSPIRE Maine scholarship program to include not only the monetary value of the award, but also a structured support for students in this program, through their first-year.**
   Operating Expenses: N/A
   Personnel: N/A
   Space: N/A
   Equipment: N/A

Software: N/A

3. **Purchase a Scholarship Management Tool through Campus Logic's Scholarship Universe to manage University, Foundation, and outside scholarship administration.**
Operating Expenses: $133,900 for 3 years.
Personnel: 1 staff member required to manage implementation, training, and maintenance of the tool
Space: N/A
Equipment: N/A
Software:

4. **Use technology as a tool to more effectively communicate across generational gaps. Create multi-use video content to target parents, students, and high school counselors.**
Operating Expenses: Budgetary funds needed for video/webinar software expenses, video recording equipment.
Personnel: 1-2 additional staff members needed to commit time to video/webinar content creation and production.
Space: N/A
Equipment:
Software:

5. **Implement proactive billing communication through the Bursar's Office by acquiring outreach resources through ECSI.**
Operating Expenses: $25,000 in the first year, $20,000 annually after first year.
Personnel: N/A
Space: N/A
Equipment: N/A
Software:

6. **Develop training/communication plan with academic advisors and faculty to be better equipped to communicate with students about basic financial matters, and be to be more comfortable identifying when a student needs to be referred to Financial Aid Office.**
Operating Expenses: Additional printing/content creation budgetary funds would be needed to ensure adequate distribution of key financial aid materials to academic and advising areas.
Personnel: N/A
Space: N/A
Equipment: N/A
Software: N/A

7. **Expand Maine high school outreach, to provide financial education to high school families and high school counselors.**
Operating Expenses: Additional funds for travel expenses (in-state) would be needed.
Personnel: Additional staff (2-3) would be needed to commit the time to the travel and outreach efforts of this recommendation.
Space: N/A
Equipment: N/A
Software: N/A