

FINANCIAL AID ANNUAL REPORT FY2005

March 2006



*Maine's
Public
Universities*

UNIVERSITY OF MAINE SYSTEM

STUDENT FINANCIAL AID

ANNUAL REPORT – FY05

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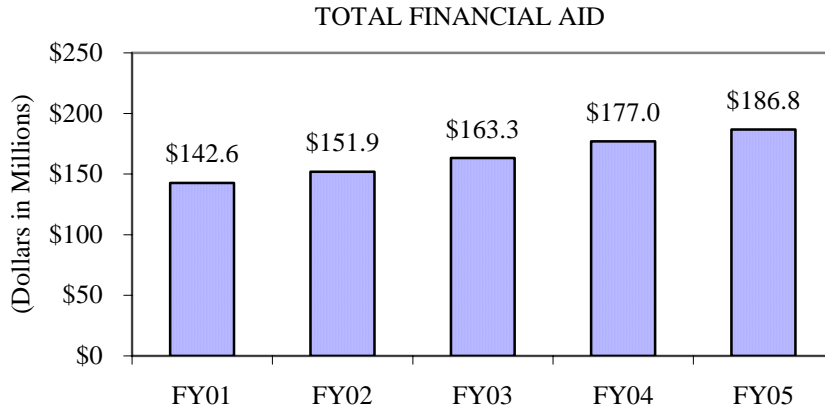
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EXECUTIVE SUMMARY

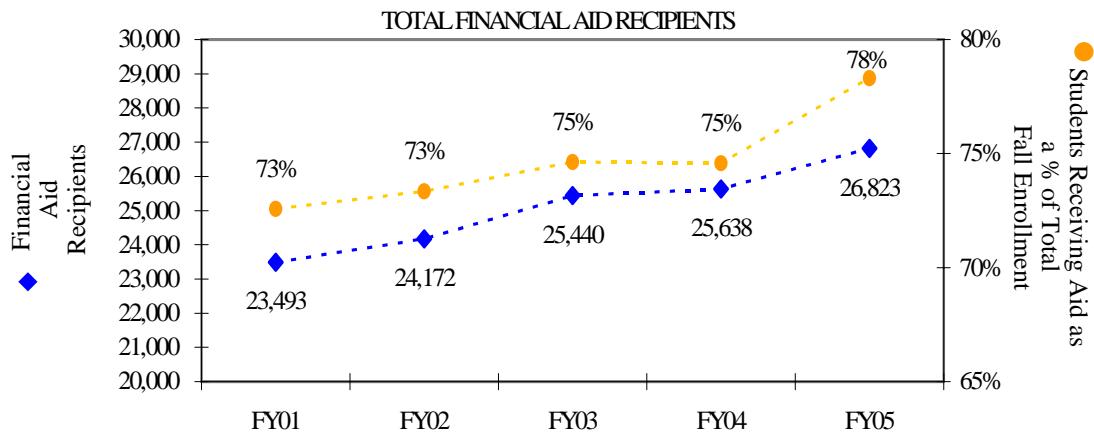
Historical Perspective



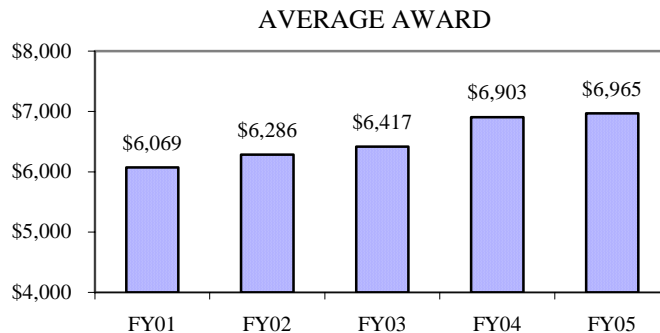
THE TOTAL FINANCIAL AID FOR FY05 TOTALED \$186.8 MILLION, REFLECTING AN INCREASE OF \$9.8 MILLION WHEN COMPARED TO LAST YEAR. THE AMOUNTS AWARDED FOR SCHOLARSHIPS, GRANTS, AND WAIVERS INCREASED BY \$3.7 MILLION. EDUCATIONAL LOANS INCREASED BY \$6.1 MILLION WHILE WORK STUDY WAGES PAID TO STUDENTS REMAIN UNCHANGED.



THE TOTAL NUMBER OF STUDENTS RECEIVING AID ALSO INCREASED DURING FY05.
 (includes recipients of unsubsidized federal loans)



NOT ONLY DID 1,185 MORE STUDENTS RECEIVE FINANCIAL ASSISTANCE, BUT THE AVERAGE AMOUNT RECEIVED PER STUDENT ALSO INCREASED AS THE UNIVERSITY CONTINUES TO STRIVE TO PROVIDE MORE AID TO MORE STUDENTS.

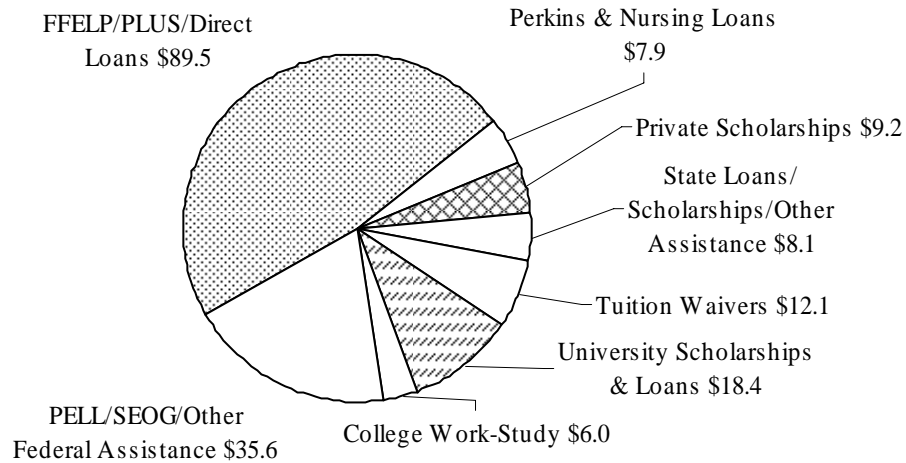


EXECUTIVE SUMMARY

The FY05 Perspective

Total Aid - \$186.8 million

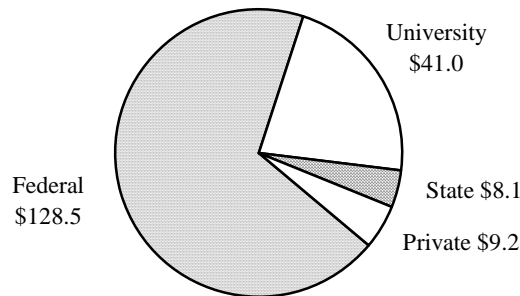
The total financial aid received by University students from all sources totaled \$186.8 million



Source of Aid

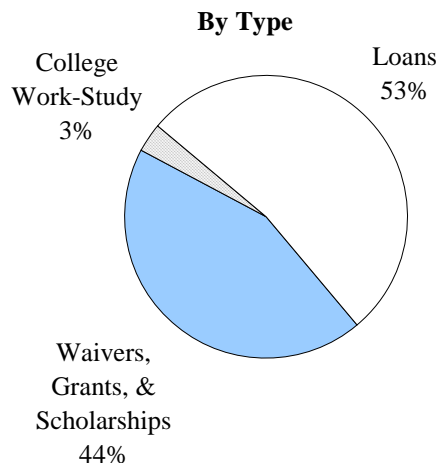
Students at the University of Maine System receive financial assistance from four major sources: Federal (69%), University (22%), Private (5%), and State (4%).

TOTAL AID - \$186.8 million



Types of Aid

Financial aid funds were distributed to students in the form of Loans (53%), Waivers/Grants/Scholarships (44%), and College Work-Study (3%).

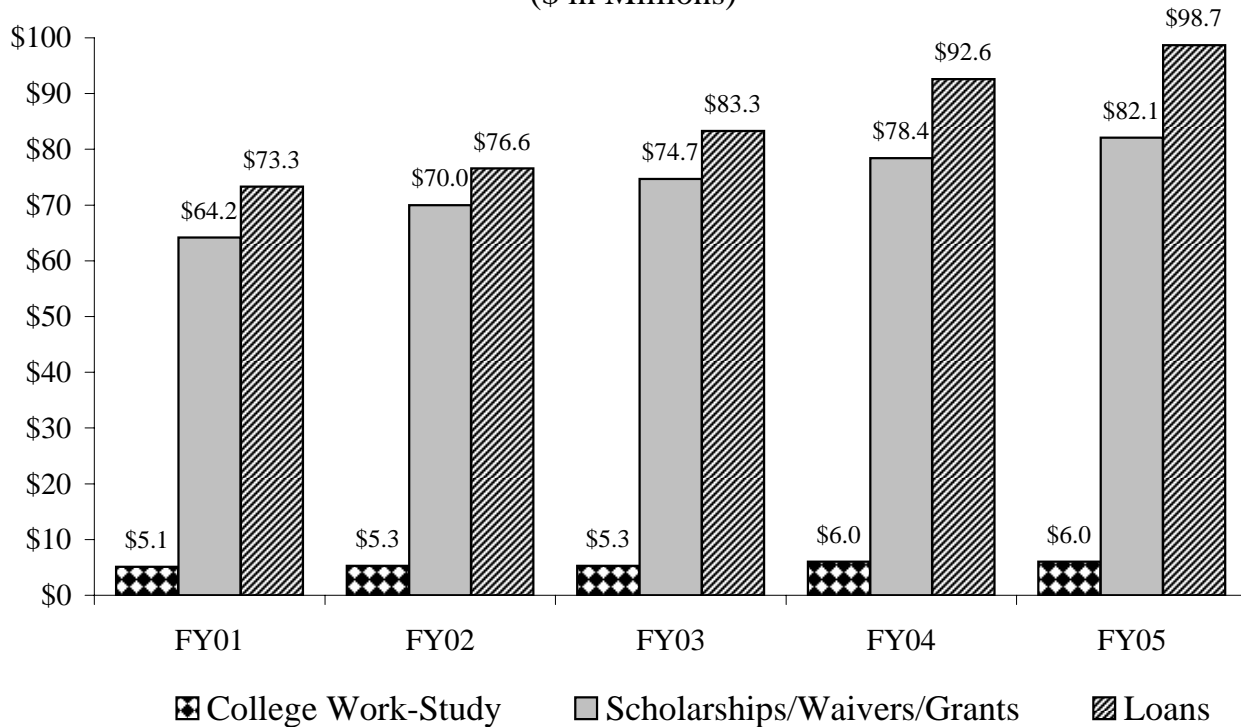


OVERVIEW

Financial Aid By Type (\$ in Millions)

| | <u>FY01</u> | | <u>FY02</u> | | <u>FY03</u> | | <u>FY04</u> | | <u>FY05</u> | | <u>4-Year</u> <u>Change</u> |
|-----------------------------|----------------|-------------|----------------|-------------|----------------|-------------|----------------|-------------|----------------|-------------|--------------------------------|
| College Work-Study | \$5.1 | 4% | \$5.3 | 3% | \$5.3 | 3% | \$6.0 | 3% | \$6.0 | 3% | 18% |
| Scholarships/Waivers/Grants | 64.2 | 45% | 70.0 | 46% | 74.7 | 46% | 78.4 | 44% | 82.1 | 44% | 28% |
| Loans | 73.3 | 51% | 76.6 | 50% | 83.3 | 51% | 92.6 | 52% | 98.7 | 53% | 35% |
| Totals | \$142.6 | 100% | \$151.9 | 100% | \$163.3 | 100% | \$177.0 | 100% | \$186.8 | 100% | 31% |

Historical Level of Aid Funding By Type
(\$ in Millions)

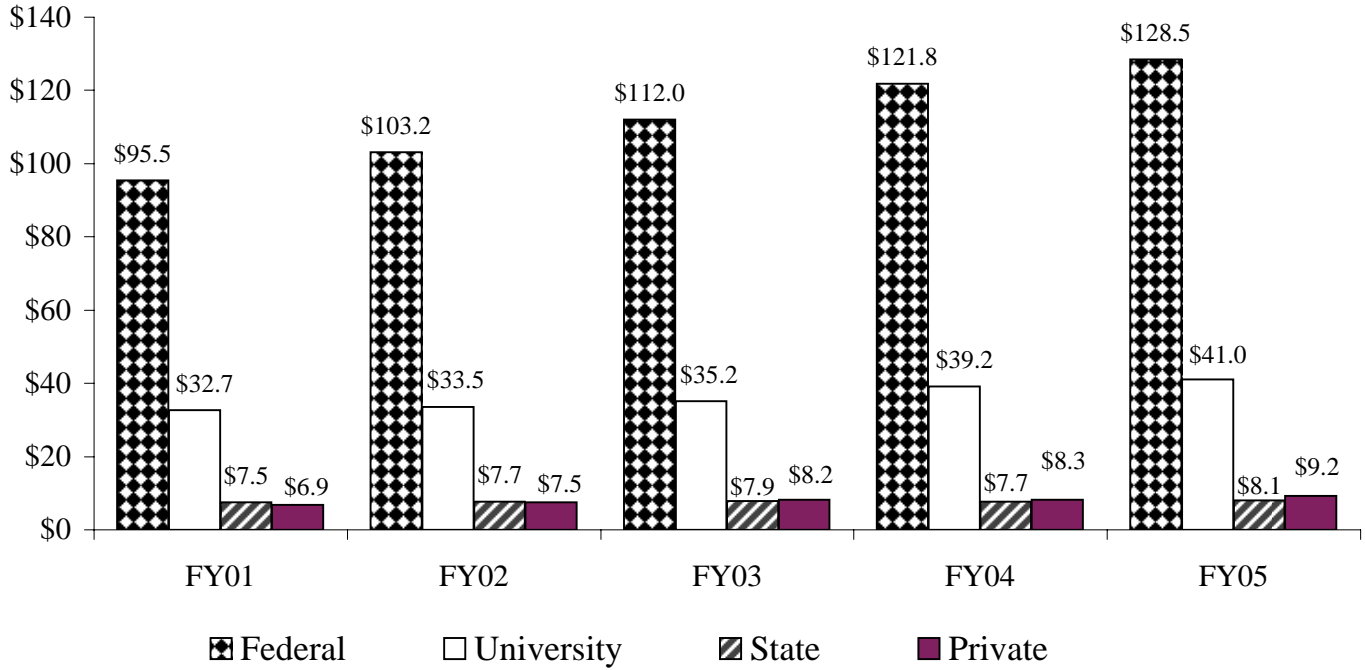


OVERVIEW

Financial Aid By Source (\$ in Millions)

| | <u>FY01</u> | | <u>FY02</u> | | <u>FY03</u> | | <u>FY04</u> | | <u>FY05</u> | | <u>4-Year</u> <u>Change</u> |
|---------------|----------------|-------------|----------------|-------------|----------------|-------------|----------------|-------------|----------------|-------------|--------------------------------|
| Federal | \$95.5 | 67% | \$103.2 | 68% | \$112.0 | 69% | \$121.8 | 69% | \$128.5 | 69% | 35% |
| University | 32.7 | 23% | 33.5 | 22% | 35.2 | 21% | 39.2 | 22% | 41.0 | 22% | 25% |
| State | 7.5 | 5% | 7.7 | 5% | 7.9 | 5% | 7.7 | 4% | 8.1 | 4% | 8% |
| Private | 6.9 | 5% | 7.5 | 5% | 8.2 | 5% | 8.3 | 5% | 9.2 | 5% | 33% |
| Totals | <u>\$142.6</u> | <u>100%</u> | <u>\$151.9</u> | <u>100%</u> | <u>\$163.3</u> | <u>100%</u> | <u>\$177.0</u> | <u>100%</u> | <u>\$186.8</u> | <u>100%</u> | 31% |

Historical Level of Aid Funding By Source
(\$ in Millions)



OVERVIEW

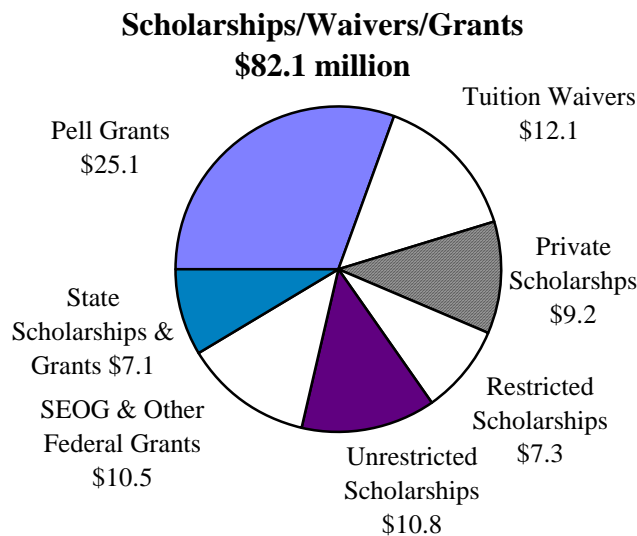
Scholarships, Waivers, & Grants

Scholarship, grant, and waiver programs totaled \$82.1 million in FY05. Of this amount, \$25.1 million was in the form of Pell Grants which are funded by the federal government. Some students who received Pell Grants and demonstrated exceptional need may also receive Supplemental Educational Opportunity Grants which totaled \$5.5 million and are funded primarily by the federal government (\$4.3 million) with the University providing matching funds (\$1.2 million). Students must complete a financial aid application and meet Federal criteria for receiving funds which are awarded based on the financial needs of the applicants.

UMS Restricted and Unrestricted Scholarships totaled \$18.1 million. The scholarships may be awarded based on merit, need, diversity, or donor-specified criteria. The UMS tuition waiver program totaled \$12.1 million. Waivers generally are of an entitlement nature for students who meet specific eligibility criteria (65 years of age, North American Indian, etc.). The waiver program is also used to encourage the UMS universities to award tuition waivers to students whose presence would enhance the university experience for all students. The recipients may be gifted scholars, accomplished artists, outstanding athletes, or from groups significantly under-represented at a university. Per the UMS Board of Trustees' Policy 703.1 established in January 1977, "University tuition waivers and scholarships will be administered so that total financial aid does not exceed a student's total educational costs". Four waiver programs are controlled by State of Maine law: *Veteran's Dependent, Tuition Waiver for Children of Firefighters and Law Enforcement Officers Killed in the Line of Duty, National Guard Education Assistance Pilot Program, and Tuition Waiver for Persons Residing in Foster Care*. The UMS Board of Trustees controls the following waivers:

- | | |
|--------------------------------------|--|
| Trustee/International Waiver Program | Exchange Programs |
| Senior Citizens Waiver | Graduate Assistant Tuition Program |
| High School Aspirations Waiver | USS Maine Commemorative Tuition Waiver Program |
| North American Indian Waiver | |

The Appendix Section of this report provides an explanation of the types of scholarship, grant, and waiver programs available at the University. The following graph shows the amount of scholarship, grant, and waiver funds received by students.

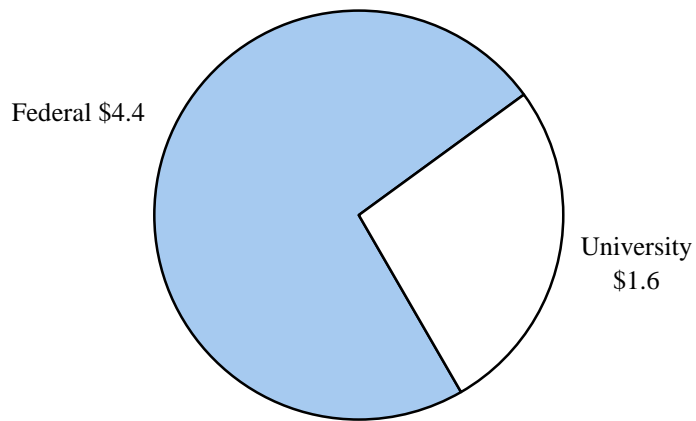


OVERVIEW

Federal College Work-Study Program

Students provide a wide range of valuable services for the University and various off-campus agencies as employees. Wherever possible, the jobs performed by students are designed to reinforce the students' educational programs. Students received a total of \$6.0 million under the Federal College Work-Study program which is funded by both the Federal Government (\$4.4 million) and the University (\$1.6 million). The Federal College Work-Study Program is considered part of the "self-help" component of a student's financial aid package.

Federal College Work-Study Program Funding \$6.0 million



OVERVIEW

Loan Programs

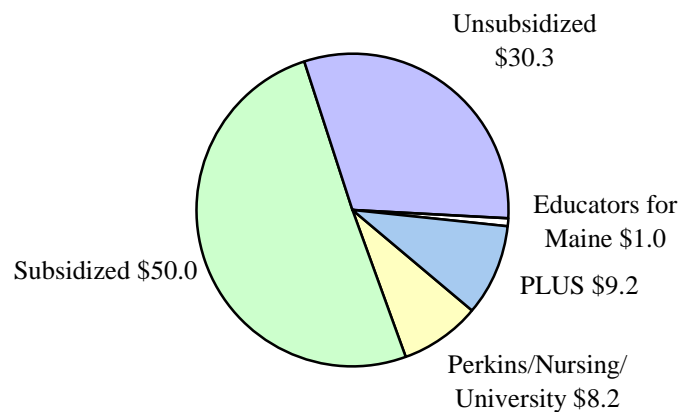
Of the FY05 \$186.8 million in financial aid funds, \$98.7 million (53%) was in the form of loans. Although the vast majority of the funding for educational loans is backed by the federal government, some funding is provided by the State of Maine and the University.

Of the \$98.7 million in educational loans, \$7.5 million was awarded for Perkins Loans. Although this is a Federal program, the University administers and contributes to this program making it the major University loan program. In recent years new federal contributions to the Perkins Loan program have been small, accounting for only 2% of the total Perkins funds disbursed in FY05. Currently, the primary source of funding for this program is the repayment of loans by former students who borrowed under the program.

The University also administers and contributes to the federal Nursing Student Loan Program which awarded \$0.4 million to students in FY05. Institutional loans are also available to students meeting certain criterion, and these programs awarded \$0.3 million in loans during FY05. The Educators for Maine Program, administered by the Finance Authority of Maine, awarded loans totaling \$1.0 million to UMS students.

Students received \$89.5 million through the Federal Family Educational Loan Program (FFELP) and the William D. Ford Federal Direct Loan Program (Direct). These two programs consist of Subsidized Loans (\$50.0 million), Unsubsidized Loans (\$30.3 million), and Parent Loans to Undergraduate Students (PLUS-\$9.2 million). The FFELP is administered through the Federal government in cooperation with various State Guarantee Agencies, Commercial Lending Institutions, and Higher Education Institutions. The source of capital for these loans is Commercial Lending Institutions. Both UMA and UMPI participate in the Direct Loan Program which is administered by the Federal government in a cooperative effort with Higher Education Institutions. The Federal government is the source of capital for these loans.

EDUCATIONAL LOANS \$98.7 million



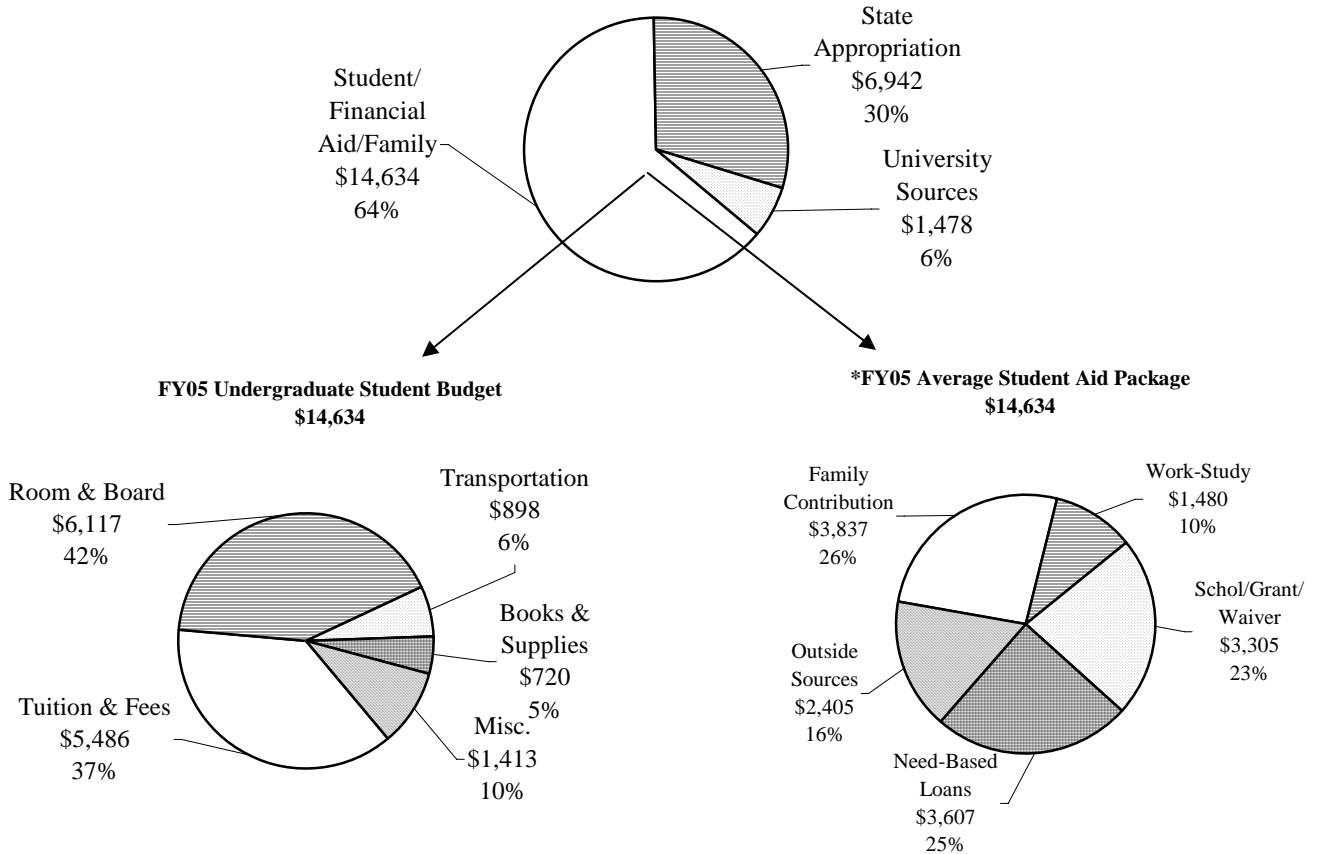
COST OF EDUCATION (Undergraduate, In-State, On-Campus Student)

The average total cost to educate an undergraduate in-state on-campus student at the University in FY05 was \$23,054. The student, family, and financial aid paid \$14,634 (64%) of this cost. The remaining amounts were paid by State appropriations, \$6,942 (30%), and other University sources, \$1,478 (6%).

In order to meet the unique cost of an individual student, the Financial Aid Offices at each university have developed student budgets that are tailored to the economic characteristics of that university and the local economy. Student budgets are developed for both undergraduate and graduate students. In addition, strict Federal guidelines are followed in determining eligibility for Federal student aid.

On average for undergraduate, in-state students, family contributions account for 26% of the Student Aid Package. Need-based loans covered 25%; restricted and unrestricted scholarships/grants/waivers paid for 23%; outside scholarships and assistance programs paid for 16%, and the federal college work-study program covered the remaining 10% of the costs. It should be noted that the family contributions may well include additional loan sources requiring the student and/or parent to begin repaying the loan immediately.

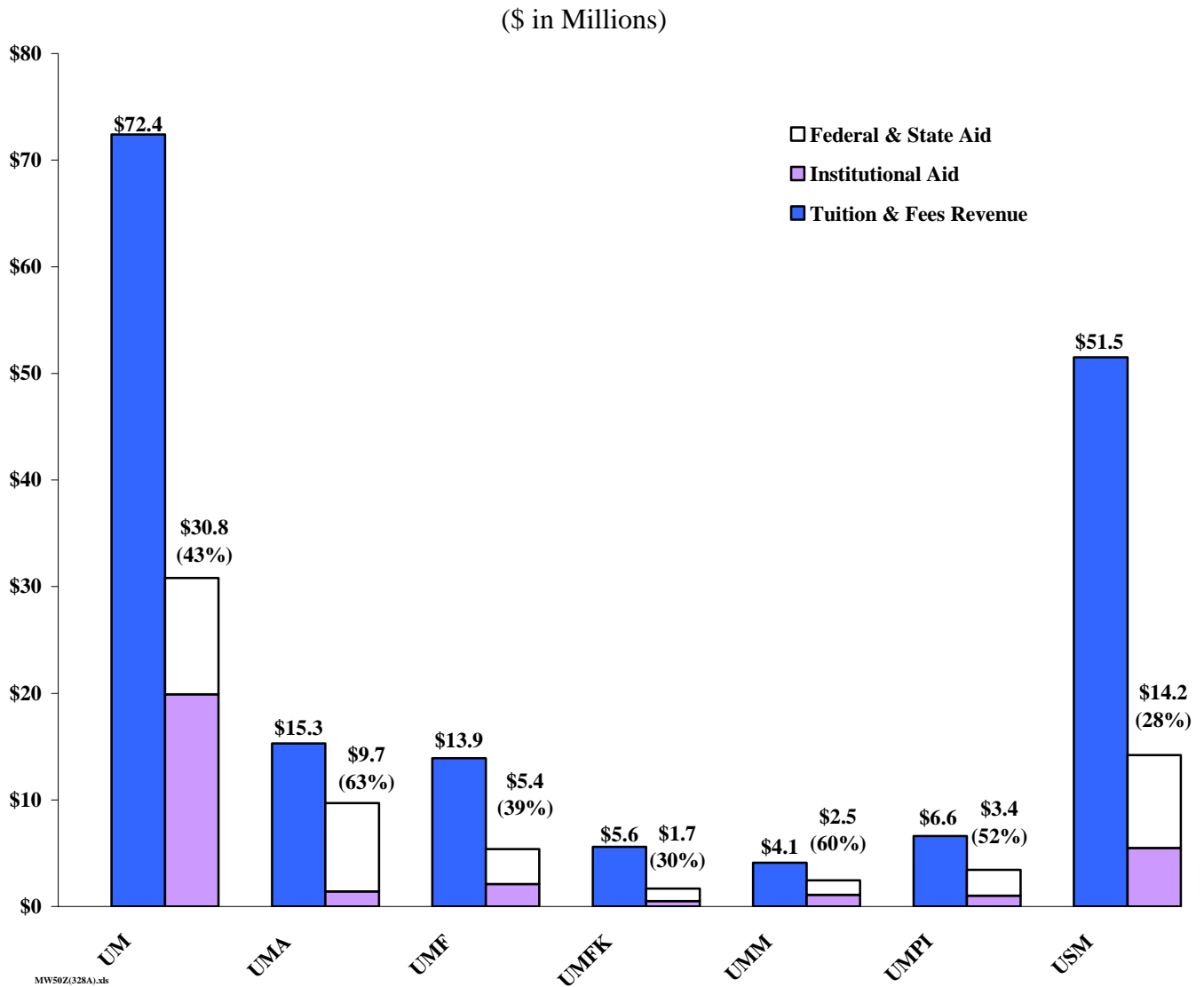
FY05 Cost of Education = \$23,054



*Average aid award based on total aid for each classification divided by the number of aid recipients for that classification. Family contribution represents the difference between the total budget and total average aid award.

FINANCIAL AID COMPARED TO TUITION REVENUE

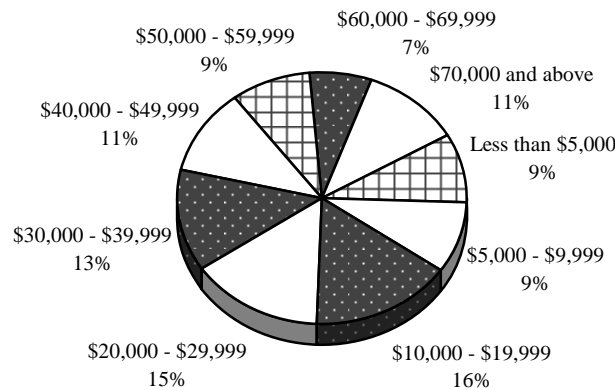
Although financial aid awards are based on a student's total cost of education (tuition, fees, room and board, books, transportation, and personal living expenses), the chart below shows the institutional, state, and federal scholarships, waivers, and grants (excluding federal/state assistance programs such as Veteran's Administration benefits) received by students during FY05 as a percentage of tuition and fees revenue.



Family Income Levels of In-State, Undergraduate, Need-Based Federal Aid Recipients

Approximately 14,700 in-state, undergraduate students received some form of need-based Federal financial aid during FY05. For the purpose of calculating financial need, these students were classified as either dependent (rely on parental support) or independent (do not rely on parental support). The dependent students' family income levels and the independent students' income levels for those in-state, undergraduate students who received need-based Federal aid are shown below. As indicated, 49% of the families/students earned less than \$30,000, and 82% earned less than \$60,000.

**FY05
Income Levels for In-State, Undergraduate, Need-Based Federal Aid Recipients
(Dependent & Independent Students)**



| FY05 In-State, Undergraduate, Need-Based Federal Aid Recipients | | | |
|---|--------------------|----------------------|----------------------------------|
| INCOME LEVELS | DEPENDENT STUDENTS | INDEPENDENT STUDENTS | DEPENDENT & INDEPENDENT STUDENTS |
| Less than \$5,000 | 1% | 20% | 9% |
| \$ 5,000 - \$ 9,999 | 2% | 19% | 9% |
| \$10,000 - \$19,999 | 8% | 26% | 16% |
| \$20,000 - \$29,999 | 14% | 17% | 15% |
| \$30,000 - \$39,999 | 16% | 9% | 13% |
| \$40,000 - \$49,999 | 15% | 5% | 11% |
| \$50,000 - \$59,999 | 13% | 2% | 9% |
| \$60,000 - \$69,999 | 12% | 1% | 7% |
| Over \$70,000 | 19% | 1% | 11% |
| | 100% | 100% | 100% |

Summary of cumulative percentages from the table above:

- Dependent students: 25% for income levels up to \$29,999; 69% for income levels up to \$49,999.
- Independent students: 82% for income levels up to \$19,999; 98% for income levels up to \$29,999.
- Dependent & Independent students: 49% for income levels up to \$29,999; 82% for income levels up to \$49,999.

HISTORICAL DATA

Financial Aid By Source of Funding (\$ in Millions)

| | FY01 | | FY02 | | FY03 | | FY04 | | FY05 | |
|-------------------------------------|----------------|-------------|----------------|-------------|----------------|-------------|----------------|-------------|----------------|-------------|
| <u>UNIVERSITY FUNDING:</u> | | | | | | | | | | |
| Tuition Waivers | \$9.3 | 7% | \$9.7 | 6% | \$10.5 | 6% | \$11.4 | 6% | \$12.1 | 7% |
| Scholarships | 14.5 | 10% | 15.5 | 10% | 15.5 | 9% | 16.9 | 10% | 18.1 | 10% |
| SEOG Matching | 1.3 | 1% | 1.3 | 1% | 1.2 | 1% | 1.2 | 1% | 1.2 | 1% |
| Work-Study Matching | 1.2 | 1% | 1.0 | 1% | 1.2 | 1% | 1.3 | 1% | 1.6 | 1% |
| University Loans | .2 | 0% | .2 | 0% | .1 | 0% | .3 | 0% | .3 | 0% |
| Perkins/Nursing* | 6.2 | 4% | 5.9 | 4% | 6.7 | 4% | 8.1 | 5% | 7.7 | 4% |
| Subtotals | \$32.7 | 23% | \$33.6 | 22% | \$35.2 | 21% | \$39.2 | 23% | \$41.0 | 23% |
| <u>FEDERAL FUNDING:</u> | | | | | | | | | | |
| PELL | \$18.3 | 13% | \$21.5 | 14% | \$23.8 | 15% | \$24.9 | 14% | \$25.1 | 13% |
| SEOG & Other Grants | 4.3 | 3% | 4.5 | 3% | 4.4 | 3% | 4.5 | 2% | 4.4 | 2% |
| Work-Study | 3.9 | 3% | 4.3 | 3% | 4.1 | 2% | 4.6 | 3% | 4.4 | 2% |
| FFELP/DIRECT/PLUS | 65.7 | 46% | 69.3 | 46% | 75.2 | 46% | 83.1 | 47% | 89.5 | 48% |
| Perkins/Nursing | 0.2 | 0% | 0.2 | 0% | 0.3 | 0% | 0.3 | 0% | 0.2 | 0% |
| Other Assistance*** | 3.1 | 2% | 3.3 | 2% | 4.2 | 3% | 4.4 | 2% | 4.9 | 3% |
| Subtotals | \$95.5 | 67% | \$103.1 | 68% | \$112.0 | 69% | \$121.8 | 68% | \$128.5 | 68% |
| <u>STATE FUNDING:</u> | | | | | | | | | | |
| Educators for Maine | \$.9 | 1% | \$1.0 | 1% | \$1.0 | 1% | \$.9 | 0% | \$1.0 | 1% |
| Maine State Grant** | 6.5 | 4% | 6.6 | 4% | 6.8 | 4% | 6.3 | 4% | 6.2 | 3% |
| NextGen Access | 0.0 | 0% | 0.0 | 0% | 0.0 | 0% | 0.3 | 0% | 0.6 | 0% |
| Other Assistance*** | 0.1 | 0% | 0.1 | 0% | 0.2 | 0% | 0.2 | 0% | 0.3 | 0% |
| Subtotals | \$7.5 | 5% | \$7.7 | 5% | \$8.0 | 5% | \$7.7 | 4% | \$8.1 | 4% |
| <u>PRIVATE SCHOLARSHIPS:</u> | | | | | | | | | | |
| | \$6.9 | 5% | \$7.5 | 5% | \$8.1 | 5% | \$8.3 | 5% | \$9.2 | 5% |
| TOTALS | \$142.6 | 100% | \$151.9 | 100% | \$163.3 | 100% | \$177.0 | 100% | \$186.8 | 100% |

% Change over the prior year 7% 8% 8% 6%

* Consists of collections from previously loaned Perkins funds and Institutional Matching Funds.

** Also includes other state grants & scholarships.

*** Consists of programs such as Veterans Administration Benefits, National Guard Tuition Assistance, DHS Rehabilitation Programs, etc.

Financial Aid By University (\$ in Millions)

| | FY01 | | FY02 | | FY03 | | FY04 | | FY05 | |
|---------------|----------------|-------------|----------------|-------------|----------------|-------------|----------------|-------------|----------------|-------------|
| UM | \$60.0 | 42% | \$63.5 | 42% | \$67.6 | 41% | \$74.6 | 42% | \$78.7 | 42% |
| UMA | 16.2 | 11% | 17.1 | 11% | 17.7 | 11% | 19.5 | 11% | 21.1 | 11% |
| UMF | 13.9 | 10% | 14.7 | 9% | 14.9 | 9% | 15.6 | 9% | 15.9 | 9% |
| UMFK | 2.5 | 2% | 2.5 | 2% | 3 | 2% | 3.2 | 2% | 4.2 | 2% |
| UMM | 4 | 3% | 4.2 | 3% | 4.6 | 3% | 5.1 | 3% | 4.6 | 2% |
| UMPI | 5.7 | 4% | 5.8 | 4% | 6.1 | 4% | 6.6 | 4% | 6.9 | 4% |
| USM | 40.3 | 28% | 44.1 | 29% | 49.4 | 30% | 52.4 | 29% | 55.4 | 30% |
| TOTALS | \$142.6 | 100% | \$151.9 | 100% | \$163.3 | 100% | \$177.0 | 100% | \$186.8 | 100% |

HISTORICAL DATA**Unduplicated Student Aid Recipients and
Average Aid per Recipient**

| | FY01 | | FY02 | | FY03 | | FY04 | | FY05 | |
|---------------|-----------------|----------------|-----------------|----------------|-----------------|----------------|-----------------|----------------|-----------------|----------------|
| | # Recipients | Average Aid | # Recipients | Average Aid | # Recipients | Average Aid | # Recipients | Average Aid | # Recipients | Average Aid |
| UM | 8,213 | \$7,305 | 8,462 | \$7,510 | 8,961 | \$7,544 | 8,920 | \$8,365 | 9,316 | \$8,446 |
| UMA | 3,512 | 4,622 | 3,656 | 4,681 | 3,824 | 4,636 | 4,078 | 4,774 | 4,256 | 4,947 |
| UMF | 2,189 | 6,349 | 2,177 | 6,738 | 2,175 | 6,845 | 2,248 | 6,963 | 2,132 | 7,462 |
| UMFK | 415 | 5,936 | 420 | 5,966 | 477 | 6,355 | 517 | 6,239 | 649 | 6,497 |
| UMM | 702 | 5,744 | 721 | 5,908 | 745 | 6,121 | 764 | 6,695 | 646 | 7,167 |
| UMPI | 1,018 | 5,548 | 1,013 | 5,714 | 1,068 | 5,677 | 1,088 | 6,031 | 1,121 | 6,162 |
| USM | 7,444 | 5,414 | 7,723 | 5,705 | 8,190 | 6,030 | 8,023 | 6,525 | 8,703 | 6,367 |
| TOTALS | 23,493 | \$6,069 | 24,172 | \$6,286 | 25,440 | \$6,417 | 25,638 | \$6,903 | 26,823 | \$6,965 |

Summary of Unrestricted E&G Tuition Waivers

| | FY01 | FY02 | FY03 | FY04 | FY05 |
|-------------------------|--------------------|--------------------|---------------------|---------------------|---------------------|
| Exchange Students | \$264,620 | \$260,626 | \$ 151,626 | \$242,015 | \$ 235,218 |
| Foster Care | 44,476 | 58,229 | 93,444 | 107,072 | 150,560 |
| Graduate Assistant | 2,144,062 | 2,177,914 | 2,257,728 | 2,466,521 | 2,490,770 |
| High School Aspirations | 83,457 | 115,656 | 116,551 | 107,288 | 141,785 |
| North American Indian* | 1,393,041 | 1,377,943 | 1,628,529 | 1,954,170 | 2,185,692 |
| Other | 397,910 | 454,484 | 551,314 | 449,211 | 587,204 |
| Senior Citizens | 81,409 | 84,159 | 81,145 | 99,857 | 94,102 |
| Trustee/International | 4,244,542 | 4,538,076 | 4,788,946 | 4,981,491 | 5,211,915 |
| Veteran's Dependent | 630,932 | 652,384 | 819,300 | 981,547 | 1,051,674 |
| TOTALS | \$9,284,449 | \$9,719,471 | \$10,488,583 | \$11,389,172 | \$12,148,920 |

*NOTE: In addition to the North American Indian Waiver Program, universities also provide room and board for eligible North American Indians who live on campus. In FY2005, room and board scholarships to these students totaled \$701,031.

HISTORICAL DATA

Summary of FY05 Unrestricted E&G Tuition Waivers By University

| | <u>UM</u> | <u>UMA</u> | <u>UMF</u> | <u>UMFK</u> | <u>UMM</u> | <u>UMPI</u> | <u>USM</u> | <u>Total</u> |
|-------------------------|---------------------|-------------------|-------------------|-------------------|-------------------|-------------------|---------------------|----------------------|
| Exchange | \$ 143,194 | \$ - | \$ 19,049 | \$ 2,970 | \$ - | \$ 13,764 | \$ 56,241 | \$ 235,218 |
| Foster Care | 38,930 | 14,789 | 9,610 | 4,224 | 3,432 | 25,458 | 54,117 | 150,560 |
| Graduate Assistant | 2,407,735 | - | - | - | - | - | 83,035 | 2,490,770 |
| High School Aspirations | 13,260 | 22,456 | 8,990 | 1,584 | 4,330 | 4,752 | 86,413 | 141,785 |
| North American Indian* | 982,489 | 297,309 | 52,844 | 21,796 | 117,963 | 206,412 | 506,879 | 2,185,692 |
| Other | 40,945 | - | 42,938 | - | 8,027 | - | 495,294 | 587,204 |
| Senior Citizens | 28,992 | 26,723 | 4,891 | 1,875 | 7,631 | 1,597 | 22,393 | 94,102 |
| Trustee/International | 2,890,414 | 174,020 | 515,044 | 174,019 | 177,768 | 237,852 | 1,042,798 | 5,211,915 |
| Veteran's Dependent | 272,649 | 223,769 | 58,808 | 32,346 | 32,457 | 63,342 | 368,303 | 1,051,674 |
| TOTAL | \$ 6,818,608 | \$ 759,066 | \$ 712,174 | \$ 238,814 | \$ 351,608 | \$ 553,177 | \$ 2,715,473 | \$ 12,148,920 |

Summary of FY05 Unrestricted E&G Tuition Waiver Recipients By University

| | <u>UM</u> | <u>UMA</u> | <u>UMF</u> | <u>UMFK</u> | <u>UMM</u> | <u>UMPI</u> | <u>USM</u> | <u>Total</u> |
|-------------------------|--------------|------------|------------|-------------|------------|-------------|--------------|--------------|
| Exchange | 24 | - | 5 | 1 | - | 8 | 3 | 41 |
| Foster Care | 10 | 6 | 2 | 1 | 1 | 8 | 14 | 42 |
| Graduate Assistant | 612 | - | - | - | - | - | 20 | 632 |
| High School Aspirations | 33 | 72 | 10 | 5 | 8 | 16 | 224 | 368 |
| North American Indian* | 194 | 149 | 15 | 9 | 53 | 65 | 127 | 612 |
| Other | 45 | - | 176 | - | 2 | - | 570 | 793 |
| Senior Citizens | 38 | 37 | 4 | 4 | 14 | 4 | 31 | 132 |
| Trustee/International | 400 | 123 | 224 | 20 | 23 | 70 | 253 | 1,113 |
| Veteran's Dependent | 62 | 85 | 16 | 10 | 9 | 19 | 83 | 284 |
| TOTAL | 1,418 | 472 | 452 | 50 | 110 | 190 | 1,325 | 4,017 |

*In addition to the North American Indian Waiver Program, universities also provided room and board for eligible North American Indian students as follows:

| | <u>UM</u> | <u>UMA</u> | <u>UMF</u> | <u>UMFK</u> | <u>UMM</u> | <u>UMPI</u> | <u>USM</u> | <u>Total</u> |
|--------------------------|-----------|------------|------------|-------------|------------|-------------|------------|--------------|
| Room & Board Scholarship | \$416,237 | \$ - | \$45,594 | \$12,396 | \$27,854 | \$34,824 | \$164,126 | \$701,031 |
| # of Recipients | 75 | - | 9 | 3 | 6 | 11 | 36 | 140 |

HISTORICAL DATA

Federal Family Education/Direct Loans Subsidized & Unsubsidized Loans by University

(Excludes Parent Loans)

(\$ in Millions)

| | FY01 | | FY02 | | FY03 | | FY04 | | FY05 | |
|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| | # | \$ | # | \$ | # | \$ | # | \$ | # | \$ |
| UM | 6,868 | \$22.4 | 7,190 | \$24.2 | 7,726 | \$26.5 | 8,123 | \$29.3 | 8,342 | \$31.2 |
| UMA* | 2,686 | 7.5 | 2,791 | 7.6 | 2,920 | 7.6 | 3,105 | 8.1 | 3,463 | 9.3 |
| UMF | 2,031 | 5.8 | 1,995 | 6.0 | 2,015 | 6.1 | 2,029 | 6.2 | 1,998 | 6.3 |
| UMFK | 330 | 0.9 | 308 | 0.8 | 410 | 1.0 | 427 | 1.2 | 524 | 1.6 |
| UMM | 511 | 1.5 | 528 | 1.5 | 556 | 1.6 | 592 | 1.7 | 510 | 1.6 |
| UMPI** | 776 | 1.9 | 741 | 1.8 | 764 | 1.8 | 807 | 2.0 | 811 | 2.1 |
| USM | 5,877 | 20.9 | 6,215 | 22.1 | 6,581 | 24.7 | 6,955 | 27.0 | 7,068 | 28.2 |
| TOTALS | 19,079 | \$60.9 | 19,768 | \$64.0 | 20,972 | \$69.3 | 22,038 | \$75.5 | 22,716 | \$80.3 |

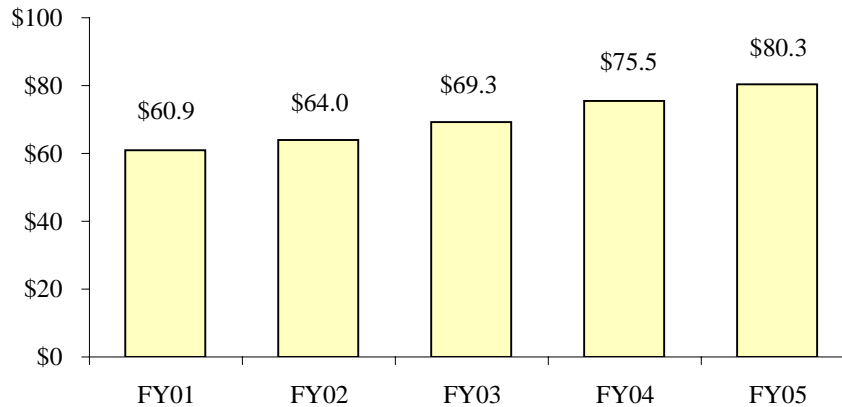
* UMA began participating in the Federal Direct Loan Program in FY96.

** UMPI began participating in the Federal Direct Loan Program in FY95.

Federal Family Education/Direct Loans

Historical Trend

(\$ in Millions)



DESCRIPTION OF STUDENT AID PROGRAMS

FEDERAL PROGRAMS

Federal Pell Grant -The Pell Grant is the basic program of federal grant assistance to undergraduate students of exceptional financial need. Administration is federally based. Grant amounts vary according to institutional costs, number of credits taken, and individual eligibility determinations.. This is an "entitlement" program (funding is guaranteed to eligible students). The maximum Pell Grant allowable for FY05 was \$4,050.

Federal Supplemental Educational Opportunity Grants - SEOG is a program of grant assistance for undergraduate students of financial need. Administration is institutionally based. Funding prior to FY90 was totally federal. In FY90, a 5% institutional match was required. In FY91, the match increased to 10%. In FY92 and FY93, the match increased to 15%. In FY94 and subsequent years, the match has increased to 25%. Federal funding is dependent upon an institutional application to the Department of Education.

Federal Work-Study - FWS is a program to provide employment to students with financial need. Jobs may be on-campus or with off-campus public or private not-for-profit agencies. To the maximum extent possible, jobs should complement and reinforce the student's educational program. Administration is institutionally based. Prior to FY90, the employing institution or agency paid at least twenty percent of the student wages and the federal government paid the remainder. For FY90, the match increased to 25% and in FY91, FY92, and FY93, the minimum match was 30%. For FY94 and subsequent years, the minimum match decreased to 25%. Federal funding is dependent upon an institutional application to the Department of Education.

Federal Perkins Loan Program - The Perkins Loan Program is a joint federal/institutional loan program for undergraduate or graduate students with financial need. Both interest and principal repayments are deferred during time of attendance. The annual interest rate is 5%, and repayment begins nine months after graduation or last attendance. Certain cancellation benefits exist. Administration is institutionally based. The institution's match prior to FY94 was at least one-ninth of the federal allocation. In FY94, the minimum match increased to three-seventeenths and in subsequent years, it increased to one-third of new Federal Capital Contributions. Federal funding requires an institutional application to the Department of Education.

Nursing Student Loans - The Nursing Student Loan Program is similar to the Perkins Loan Program except that only nursing students are eligible borrowers. Administration is institutionally based.

Federal Family Education Loan Program (Stafford Loan) - FFELP (Formerly called Guaranteed Student Loan Program) is a federal program established by the Higher Education Act of 1965 to let students borrow money for their educational needs beyond the high school level. Local financial institutions make loans to students enrolled at an institution of higher learning that participates in FFELP. The loan applications are processed at the University level. The federal government guarantees the loan made by the participating bank, savings and loan, or credit union. The interest rate is capped at 8.25%. For students who demonstrate financial need, the federal government subsidizes the interest rate and repayment is deferred until six months after graduation. For students who do not demonstrate financial need, interest begins to accrue immediately.

Federal Direct Student Loan Program - This program was initially authorized by the Higher Education Amendments of 1992. The program is the same as the FFELP Program, except the source of capital comes from the Federal Government instead of financial institutions. The primary objective of the Direct Loan program is simplification, reduced costs, and improved repayment of the loans by having a coordinated effort between students, institutions, and the U.S. Department of Education. Institutions apply to the federal government in order to participate in this program.

DESCRIPTION OF STUDENT AID PROGRAMS

STATE PROGRAMS

Maine State Grant Program - The Maine State Grant Program is designed to promote an educational opportunity for Maine students attending postsecondary institutions. The program is administered by the Maine Education Assistance Division under FAME (Finance Authority of Maine). Determination of awards to students is based on rules and regulations established by the State that have been adapted to include applicable Federal guidelines. The maximum individual grant for FY05 was \$1,000.

NextGen Access Scholarship Program – Also administered by FAME, this program provides funds for first-year students who are Maine residents, ineligible for Maine State Grant, have an EFC of \$1,500 or less, and are enrolled at least part-time.

NextGen Student Grant Program – This program is available to full-time, undergraduate, Maine resident students. The award amount, ranging from \$400 to \$1,000, is based upon the estimated family contribution.

Educators for Maine Program – Formerly known as the Teachers for Maine Program and the Blaine House Scholars Program, the Educators for Maine Program is designed to provide low interest loans to Maine students who intend to teach in Maine. These loans may be forgiven by teaching in a Maine public elementary or secondary school upon graduation. If the loan recipient does not meet the service requirements, however, the loan must be repaid with interest. The program is administered by the Education Division of FAME (Finance Authority of Maine).

UNIVERSITY PROGRAMS

University Scholarships - All scholarships funded from unrestricted revenues (excluding North American Indian Scholarships) are used to provide aid to students in need of financial assistance or in recognition of talent and/or academic excellence.

North American Indian Scholarships - Since the Spring Semester of 1972, the University has subsidized room and board charges for North American Indians living in University dormitories. The Wabanaki Center, located at UM, certifies tribal eligibility as noted under the North American Indian Waiver Program for all campuses. In order to receive this scholarship, the student must apply for financial aid and show satisfactory academic progress.

Tuition Waivers - Waivers generally are of an entitlement nature for students that meet specific eligibility requirements. The waiver program is also used to encourage the Universities to award tuition waivers to students whose presence would enhance the university experience for all students. The recipients may be gifted scholars, accomplished artists, outstanding athletes, or from groups significantly under-represented at a university. Four waiver programs are controlled by State of Maine Law: *Veteran's Dependent, Tuition Waiver for Children of Firefighters and Law Enforcement Officers Killed in the Line of Duty, National Guard Assistance Pilot Program, and Tuition Waiver for Persons Residing in Foster Care*. The UMS Board of Trustees controls the following waivers:

| | |
|--------------------------------------|--|
| TRUSTEE/INTERNATIONAL WAIVER PROGRAM | EXCHANGE PROGRAMS |
| SENIOR CITIZENS WAIVER | GRADUATE ASSISTANT TUITION PROGRAM |
| NORTH AMERICAN INDIAN WAIVER | USS MAINE COMMEMORATIVE TUITION WAIVER PROGRAM |
| HIGH SCHOOL ASPIRATIONS WAIVER | |

Restricted Scholarships - These scholarships can be need-based or non-need-based. They are funded from income earned by the University endowment fund or other restricted accounts and do not represent an expense to the E & G budget.

Loan Program - The University maintains a number of loan programs which include funds established by individual contributors as well as the Perkins Loan Program (see comments under Federal Programs). Loans are made to students based on the restrictions established by the source of capital for the program. The loan programs are a continuing source of aid to students based on a revolving fund basis, e.g., as funds are repaid by students, new loans are made.

DESCRIPTION OF STUDENT AID PROGRAMS

| <u>TUITION WAIVERS</u> | <u>APPROVAL DATE</u> |
|---|---|
| <u>DESCRIPTION</u> | |
| 1. <u>Trustee/International Waiver Program</u> – The Trustee Waiver Program encourages universities to award tuition waivers to students whose presence would enhance the university experience of all students. The recipients may be gifted scholars, accomplished artists, outstanding athletes, or from groups significantly under-represented at a university. The number and amount of Trustee waivers shall not exceed 6% of students enrolled at each university, calculated on a full-time equivalent (FTE) basis or 6% of gross tuition revenue. Partial waivers are authorized. | Board of Trustees 5/90 Updated 11/96 |
| 2. <u>Senior Citizens Waiver</u> – For the purpose of administering this waiver “senior citizens” are defined as Maine residents who are, or will become, 65 years of age during the semester for which they are requesting the waiver. Enrollment will be subject to space availability. The Board of Trustees authorized the waiver of tuition for senior citizens who wish to register for undergraduate courses on a credit basis at any university. Applicants must establish financial need. The Board authorizes the waiver of tuition and Board-approved mandatory fees (Unified Fee, Student Activity Fee, and Communications Fee) for senior citizens who register for undergraduate courses on an audit basis at any university. Applicants do not need to establish financial need. | Board of Trustees 12/91 |
| 3. <u>National Guard Education Assistance Pilot Program</u> – Legislative Document 2585 signed by the Governor on May 5, 2000 provides that regardless of the state of residence, a member of the Maine National Guard who has met the requirements of the law and is attending a state postsecondary educational institution, qualifies for in-state tuition rates. | State of Maine |
| 4. <u>North American Indian Waiver</u> – Tuition and mandatory fees will be waived for qualified students, both matriculated and non-matriculated, who are enrolled in academic, credit-bearing courses at the undergraduate, graduate, or continuing education level. Academic qualifications and tribal eligibility shall be determined by the Wabanaki Center and are extended to: <ol style="list-style-type: none"> a. Individuals whose names are included on the current tribal census or who have at least one parent or grandparent who are included on the current tribal census of the Passamaquoddy Nation, the Penobscot Nation, the Houlton Band of Maliseet, the Aroostook Band of Micmac, or b. Individuals who have lived in Maine for at least twelve months immediately prior to application and who are included on a current tribal census or who have at least one parent or grandparent who were included on the census of a state, federal, or provincial North American Indian Tribe or held a band number of the Maliseet or Micmac Tribes. | Board of Trustees 07/79 |
| 5. <u>Veteran’s Dependent</u> – Per Maine law, tuition and mandatory fees and lab fees will be waived for eligible orphans, widows, and widowers of veterans as well as spouses and children of veterans who are disabled, missing in action, etc. Initial eligibility is determine by the State of Maine Veterans Affairs Office. Students must be enrolled in an associate’s, bachelor’s, or master’s degree program. The waiver will be administered so that total financial aid does not exceed a student’s total education cost. MRSA, Title 37-B, Section 505, as amended 2002, P.L. c.662. | State of Maine |
| 6. <u>Tuition Waiver for Persons in Foster Care Upon Graduating from High School or Successfully Completing a GED Examination</u> – Tuition will be waived for eligible Maine students who have applied for federal student financial aid. These students must be enrolled in an undergraduate or certificate program of at least one year and not been enrolled full-time for more than five years or the equivalent. A person desiring a tuition waiver should apply to the Finance Authority of Maine for determination of eligibility. No more than 28 new waivers will be awarded in each year. MRSA, Title 20-A, Section 12573, as enacted 1999, P.L. c.216 and amended in 2003. | State of Maine |

| DESCRIPTION | APPROVAL DATE |
|--|--------------------------|
| <p>7. <u>Tuition Waiver for Children of Firefighters and Law Enforcement Officers Killed in the Line of Duty</u> – Per Maine Law, tuition will be waived for eligible students but will be limited to undergraduate degree programs and shall be limited to the earlier of not more than five years of full-time enrollment or its equivalent, or receipt of a Baccalaureate Degree. A person desiring a tuition waiver should apply to the Department of Education for determination of eligibility. MRSA, Title 20-A, Section 12551, as enacted 1985, P.L. c.472.</p> | State of Maine |
| <p>8. Exchange Programs –</p> | |
| <p>a. <u>Cooperative Exchange Program with UMPI and NMCC</u> – Students, faculty, and staff at one of these institutions may register at the other institution on a tuition-waived basis. Academic Deans at each University involved will certify that the course enhances a student’s occupational/educational objectives. The implementation of this policy is subject to the limitations of resources at each University. Resources relate to the availability of classroom/laboratory space.</p> | Board of Trustees 03/77 |
| <p>b. <u>National Student Exchange</u> – The exchange program allows qualified students from approximately 160 member institutions in other parts of the United States including Puerto Rico, Guam, and the Virgin Islands to reciprocally attend UM, UMF, UMFK, UMPI, or USM for up to two semesters. Generally students pay tuition & fees to the home university at the home university's rates and room and board, if applicable, to the host university at the host university's rates.</p> | Board of Trustees 03/77 |
| <p>c. <u>International Student Exchange Program</u> -- Approximately 30 direct exchange programs exist for students attending the University of Maine System who wish to study abroad including such countries as Australia, Austria, Bulgaria, Turkey, Ukraine, and Wales. Students who study through a direct exchange generally pay their tuition and fees to their home institution and pay their room and board, if applicable, to the host institution.</p> | Board of Trustees 03/77 |
| <p>d. <u>Faculty Children Tuition Program</u> -- The University has had a Board-approved reciprocal agreement with certain New England universities since 1964, which amounts to acceptance of eligible students at in-state rates. Children of UM faculty and the Chancellor's Office are eligible to apply for in-state admission to URI and UCONN.</p> | Board of Trustees 07/79 |
| <p>9. <u>High School Aspirations Incentive Program</u> -- To raise educational aspirations, students currently attending Maine High Schools, whether private or public (or being home schooled in Maine homes), and adult education diploma candidates who are within one calendar year of diploma completion are eligible for the High School Aspirations Incentive Program. The in-state student waiver is one-half the in-state tuition rate, and the waiver for out-of-state students attending Maine High Schools is one-half the out-of-state tuition rate. Traditional high school students must have school approval, parental approval, and a minimum high school grade point average (GPA) of B or better and junior or senior standing. Adult education students must have approval from the adult education director and/or counselor and must have maintained a B or above average in their adult education course work. Students can take any academic course for which they have met the course prerequisites as long as there is space available. Traditional high school students may enroll in a maximum of two courses or six credit hours (whichever is greater) per semester during their junior and senior year. Adult education students may enroll in up to two courses or six credit hours (whichever is greater) per semester for a maximum of two semesters (i.e., a maximum of four courses or twelve credit hours total, whichever is greater). The program is limited to regular university courses taught by university faculty through direct, on-site instruction at a University of Maine System university or Center during the regular academic year (fall and spring semesters only).</p> | Presidents Council 07/97 |

| DESCRIPTION | APPROVAL DATE |
|---|-------------------------|
| 10. <u>Graduate Assistant Tuition Program</u> -- In recognition of the desirability of attracting outstanding graduate students (in-state and out-of-state) to the University of Maine System, the University System has a graduate assistant tuition assistance program whereby selected graduate students are provided free tuition. The in-state portion of the tuition charge is paid by the appropriate academic departments as a tuition scholarship. For out-of-state graduate students, the difference between the in-state and out-of-state tuition is waived. | |
| 11. <u>USS Maine Commemorative Tuition Waiver Program</u> -- Tuition will be waived for eligible members of the USS Maine's crew, their spouses, and dependent children. Eligible crew members and families will be limited to the initial crew and those assigned to the ship within one year of its commissioning. Universities with over 1,000 students will be expected to carry up to two tuition waivers, and those under 1,000 students to carry up to one tuition waiver. Each waiver will be for \$2,500 or the cost of tuition, if less. | Board of Trustees 05/95 |

NOTE: The following are considered as part of an employee's "benefit" package and, therefore, are not included in this financial aid report but it should be noted that tuition is waived for employees and their dependents as follows:

Employee Tuition Benefit -- The Board of Trustees encourages employee participation in educational programs by authorizing a waiver of tuition charges. Generally, employees may be eligible to take up to two (2) courses per semester not to exceed four (4) credit hours per course. Such courses shall be contingent on the availability of space. Also, each university shall designate those non-credit courses to which waivers will not apply. Permission from the employee's supervisor is required for any course scheduled during normal working hours; such absences must be made up.

Dependent Tuition Waiver -- Dependents of full-time regular University employees not represented by a bargaining agent, or as provided in a collective bargaining agreement, qualify for a 50% tuition waiver. In order to qualify, spouses or dependent children must be enrolled at the University of Maine System on a full-time basis.