

**Survey on Non-acceptance or Cancellation of
the Maryland Educational Assistance Grant**

October 2006

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Executive Summary

Background

The purpose of this study is to determine the major factors in the high (approximately 40 percent) cancellation rate for the Maryland Educational Assistance Grant (EAG). Surveys were distributed to all students who were eligible for this need based grant who either did not accept (conducted in summer 2005), or later cancelled the EAG (conducted in fall 2005 and spring 2006). The survey asked if students had received letters notifying them of their award (summer survey) or if they had accepted the award (fall/spring survey). It also asked students whether they were enrolled in college in 2005 without the aid of the EAG award. The largest part of the survey, however, was devoted to why the students declined or cancelled the award. Out of 19,349 mailed surveys, 3,227 students responded. Although the response rate was approximately 17 percent, the demographics of the respondents mirrored the overall population of students on the basis of gender, dependent/independent status, and geographic region.

Report Highlights

By far, the most prevalent reason for declining the EAG was being enrolled at an out-of-state college or university. Nearly half (49.3 percent) of the respondents to the summer survey gave this answer. Overall, more males and dependent students went out-of-state for school. The most frequently mentioned reason for canceling the EAG award was enrollment on a part-time basis, with one-third of the respondents citing this factor. More females and independent students attended part-time. The survey also asked students whether they had enrolled in college without the EAG award. Despite some geographic differences, the vast majority of students had enrolled without the EAG (88 percent of those in the summer survey and 71 percent of those in the fall/spring survey). However, in the summer survey, over 26 percent of students from Baltimore City said that they were not enrolled in 2005. In the fall/spring survey, approximately 40 percent of the students from Southern Maryland and Western Maryland were not enrolled.

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Introduction

The Educational Excellence Award program (EEA) is the State's primary need-based grant program that assists full-time undergraduate students enrolled at Maryland's two-year and four-year colleges and universities. There are two components under this program - Guaranteed Access Grant (GAG) and the Educational Assistance Grant (EAG). EAG awards are for low and moderate-income students and at the time of the survey were based on 35 percent of need for students attending four-year public and independent institutions and 45 percent of need for students attending community colleges with awards capped at \$2,700. For awards in academic year 2006-2007, the award amount was increased to 40 percent of need for four-year schools and 60 percent of need for community colleges, and the maximum award was increased to \$3,000. Award amounts under both the GAG and EAG increase as tuition and fees increase. Funding for the EEA program has increased by \$35 million, or 85% since FY 2004 to implement these changes in the awarding formula, accommodate tuition and fee increases, and award more students in the program.

Each year when financial aid awards are made in this program, awards are renewed for all eligible students in both components and then new awards are made. The EAG has a March 1 deadline for filing the FAFSA, so this component is over awarded by a certain percentage, knowing that cancellations will occur throughout the year to bring actual expenditures in-line with the budgetary appropriation.

Over the last three years the EAG component has been over awarded by 51 percent. This means that at the time of awarding in April of each year, the Office of Student Financial Assistance is awarding one and one/half times its actual appropriation to account for the high rate of cancellations in this component of the program. The overall cancellation rate for the program has been approximately 40 percent.

The purpose of this study is to assess the reasons why students are choosing to not accept the EAG, or if they choose to accept the award, the reasons why the awards are being cancelled during the fall or spring semester of the academic year. These three occurrences determine the overall cancellation rate of the program.

Study Design

Data was derived by surveying a certain population of students who were offered or who had accepted an EAG award in order to determine the reasons why students are not accepting awards or why awards are being cancelled. To collect the data to perform the analysis, three surveys were sent to three different populations of students. The first survey was sent out in the summer of 2005 to students who chose not to accept the EAG at the time it was offered in April. The second survey was sent to those that accepted the award, to later have the award cancelled in the fall semester; and the third survey was sent to those students that accepted the award, to later have it cancelled in the spring semester. Each survey is slightly different determined by the time frame in which the cancellation occurred.

Two sets of data analysis were performed. The first set of data analyzed students who initially declined the award when it was offered in April. The second set examined those students whose awards were cancelled during the fall and spring semesters as a single data set.

Once the data file was imported into SPSS and labeled and coded, frequencies were run for each data set based on the survey questions. Since the overall survey response rate was low, certain demographic characteristics of those responding to the surveys were compared to those of the overall population who received a survey. This matching was performed to determine if the respondent survey population was representative of the overall population whose awards were cancelled. Specifically, a comparison was made between the respondent groups and the entire population on the basis of gender and dependent/independent status.

An analysis was then conducted to determine the following:

- a) the number of students responding “no” or “unsure” to question one (did the student receive the award letter for the summer survey or did the student accept the EAG for the fall/spring survey) ;
- b) whether or not students enrolled in college without the Educational Assistance Grant; and,
- c) the predominant reasons why students did not accept the award or why they had their award cancelled during the school year.

Each data set was examined in terms of gender, dependent or independent status, and Maryland’s 12 “service delivery areas” (major counties and regions)¹. This analysis is to determine if some circumstances impact students with certain demographic characteristics more than others.

Data Analysis

A. Overview

Out of the total 19,349 surveys mailed out to students, 3,227, or approximately 17 percent, responded. Since a low response rate to a survey can introduce bias into the results, a comparison was made between selected demographics of the respondents and those of the total population. In terms of gender and dependent/ independent status, there was consistency between the two groups. Overall, 70 percent of respondents were female, compared to 65 percent of the total population. Furthermore, 51 percent of all respondents were dependent students versus 54 percent of the total population having a dependent status. Independent status is based on respondents who noted any of the following: that they were born before January 1,

¹ The 12 “service delivery areas” are as follows: Anne Arundel County, Baltimore City, Baltimore County, Frederick County, Montgomery County, Prince George’s County, Lower Shore (Somerset, Wicomico and Worcester Counties), Mid-Maryland (Carroll and Howard Counties), Southern Maryland (Calvert, Charles and St. Mary’s Counties), Susquehanna (Cecil and Harford Counties), Upper Shore (Caroline, Dorchester, Kent, Queen Anne’s and Talbot Counties), and Western Maryland (Washington, Allegany and Garrett Counties).

1982, are a member of the U.S. Armed Forces, are married or that they have children. **See tables A1-A3.**

Table A1. Overall Response Rate

	Summer	Fall	Spring
Surveys Mailed	7,837	6,012	5,500
Surveys Received	1,303	931	993
Response Rate	16.6%	15.5%	18.0%

Table A2.Total Population Demographics

	Summer	Fall	Spring
Total Surveys Mailed	7,837	6,012	5,500
Total Surveys Received	1,303	931	993
Total Female	4,903	4,033	3,740
Total Male	2,934	1,979	1,760
Total Dependent Students	5,345	2,635	2,475
Total Independent Students	2,492	3,377	3,025

Table A3: Overall Survey Respondent Demographics compared to Overall Survey Population Demographics

	Survey Respondents (%)	Survey Population (%)
Female	70	65
Male	30	35
Dependent	51	54
Independent	49	46

B. Summer Survey: Students Who Declined the Award

When analyzing the students who responded to the summer survey, it was found that 89 percent of students who declined the award responded positively to the question asking whether they had received their award letter. Only 5 percent responded that they had not received the letter. **See table B1.** There were some regional differences; for example Baltimore County, Baltimore City, the lower Eastern Shore and Western Maryland all had over 10 percent of respondents who did

not receive or were unsure that they received a letter notifying them about the EAG award. See **table B2**. Despite declining the EAG, 88 percent of those surveyed were enrolled in college in 2005 without the award. See **table B3**. This number also differed for different areas of Maryland. Baltimore City was the only jurisdiction where over 20 percent (26.5 percent) of respondents were not enrolled in 2005.

Table B1. Percent of respondents who received the letter notifying them of their EAG award.

Received Letter (%)	
Yes	89.4
No	5.4
Unsure	5.2

Table B2. Percentage of Students who Received EAG Letter by Region.

Region of Maryland	Percentage of Total Respondents	Percentage who Received Letter
Anne Arundel County	7.3	95.9
Baltimore County	16.4	88.7
Frederick County	4.7	97.8
Montgomery County	15.4	90.7
Prince George's County	15.2	93.7
Baltimore City	10.0	86.0
Lower Shore	3.8	87.9
Upper Shore	3.4	100.0
Mid-Maryland	8.9	95.3
Southern Maryland	3.9	91.9
Susquehanna	5.3	98.0
Western Maryland	5.7	87.9

Table B3. Enrolled in College in 2005

Summer Survey (%)	
Yes	88.0
No	12.0

By far, the reason cited by the largest percentage of students for declining the EAG was that they enrolled out-of-state (49 percent). Other major reasons included that their school was not listed

on the award letter (20 percent), that they were only enrolled part-time (14 percent), and that the award did not cover their expenses (11 percent). See **Table B4**.

Table B4. Reasons for declining EAG

Reason for Declining EAG	Frequency	Percentage
Enrolled out-of-state	643	49.3
School not listed on award letter	261	20.0
Attend part-time	178	13.7
EAG did not cover expenses	145	11.1
Concerned about requirements	53	4.1
Cannot afford college	50	3.8
Personal reasons	45	3.5
Employment demands	21	1.6
Not a Maryland resident	11	0.8
Did not need the money	7	0.5
EAG not Reputable	6	0.5
Other	147	11.3

Noteworthy differences between men and women were found in the numbers of respondents enrolled out-of-state and the number of respondents enrolled part-time. Fifty-nine percent of males cited being enrolled out-of-state as a reason for declining the award, whereas only 48 percent of their female counterparts did. On the other hand, 16 percent of female students declined the award because they were only enrolled part-time whereas only 9 percent of men cited the same reason. See **Table B5**.

Table B5. Notable gender differences

Reason for Declining EAG	Female (%)	Male (%)
Enrolled out-of-state	47.5	58.8
Attend part-time	15.8	9.4
Other	13.0	8.8

Note: The rest of the possible reasons did not have a significant (greater than five percent) gender gap.

Differences between independent and dependent students were most acute in the number of respondents who were attending out-of-state institutions and who were attending college part-time. Sixty-six percent of dependent students listed going to out-of-state schools as a reason for declining the award, while only 16.7 percent of independent students listed the same reason. Conversely, only 5.2 percent of dependent students were only enrolled part-time while 34.3 percent of their independent counterparts were part-time. The only other variance in responses larger than 5 percent was that 23.4 percent of dependents declined the award because their school was not listed on the award letter while only 11.1 percent of independents had this problem. This difference may be largely explained by the fact that students attending out-of-state schools

are more likely to be dependents and would not have their school listed on the letter. **See Table B6.**

Table B6. Notable differences between Dependent and Independent Students

Reason for Declining EAG	Dependent (%)	Independent (%)
School not listed on letter	23.4	11.1
Enrolled out-of-state	65.5	16.7
Attend part-time	5.2	34.3
Cannot afford college	2.2	7.2
Did not cover expenses	10.0	14.7
Other	9.4	16.0

Note: The rest of the possible reasons did not have a significant (greater than five percent) difference between dependent and independent students.

Responses also varied based on geographic demographics. For example, Montgomery County and Southern Maryland had the highest number of students who cited not having their school listed as a reason for declining the award, where as Anne Arundel County and Baltimore City and County had the most number of part-time students. One of the most notable regional differences was the number of students who declined the EAG because they were going to out-of-state institutions. Baltimore City was considerably below other jurisdictions in the percentage (27 percent) of students who indicated that they had enrolled at an out-of-state institution. **See Table B7.**

Table B7. Geographic Differences

Region	Reason for Declining EAG (%)			
	School not listed	Enrolled out-of-state	Attend part-time	Did not cover expenses
Anne Arundel	24.4	55.8	19.8	9.3
Baltimore County	19.7	48.7	18.1	9.8
Frederick	10.9	56.4	7.3	14.5
Montgomery	26.5	59.1	9.9	11.6
Prince George's	21.2	60.3	11.7	11.2
Baltimore City	22	27.1	18.6	13.6
Lower Shore	11.1	48.9	13.3	11.1
Upper Shore	12.5	47.5	12.5	10
Mid-Maryland	19	45.7	10.5	8.6
Southern Maryland	26.1	58.7	8.7	15.2
Susquehanna	19.4	56.5	16.1	12.9
Western Maryland	13.4	52.2	9	7.5

C. Fall and Spring Survey: Students Who Cancelled Their Awards

For the fall and spring surveys of students who cancelled their EAG awards, 88 percent stated that they had accepted the award. **See Table C1.** Despite canceling their EAG awards, 71 percent of respondents were enrolled in college in 2005. **See Table C2.** Southern Maryland was the only region where more than 40 percent of respondents did not enroll in college in 2005; however region only made up about 3 percent of the overall population. **See Table C3.**

Table C1. Percent of respondents who accepted the award.

Accepted EAG (%)	
Yes	87.6
No	6.2
Unsure	6.2

Table C2. Enrolled in College in 2005

Fall and Spring Survey (%)	
Yes	71.1
No	28.9

Table C3. Percentage of Students Enrolled in College 2005 by Region.

Region of Maryland	Percentage of Respondents	Percentage Enrolled in College in 2005
Anne Arundel County	6.2	69.8
Baltimore County	18.8	71.9
Frederick County	2.4	67.5
Montgomery County	15.5	73.2
Prince George's County	16.9	76.0
Baltimore City	17.5	70.0
Lower Shore	3.4	69.5
Upper Shore	2.4	69.0
Mid-Maryland	6.9	73.3
Southern Maryland	3.2	58.9
Susquehanna	3.0	66.7
Western Maryland	3.9	61.8

For students who responded to the survey in the fall and spring, the largest reason for cancelling the EAG award was that they were only enrolled part-time (33.2 percent of respondents). Fourteen percent of these students did not enroll in college and 12 percent canceled their award for personal reasons. While 23.7 percent of respondents cited “Other” for their reason for cancelling their award, the majority of the answers they filled in fit into categories already listed on the questionnaire such as only part-time enrollment and personal reasons (such as family problems, medical problems, and maternity leave). There were also a significant number of responses which cited changing schools, administrative errors or misunderstandings (on the part of the Maryland Higher Education Commission (MHEC), the school or the student) as well as military service which caused their awards to be cancelled. There were also a number of students who graduated after the fall semester and no longer needed the award (this numbered approximately 60 students). See **Table C4**.

Table C4. Reasons for canceling EAG

Reasons for Cancelling EAG	Frequency	Percentage
Attend part-time	643	33.2
Did not enroll	270	14.0
Personal reasons	232	12.0
Enrolled out-of-state	170	8.8
Did not cover expenses	165	8.5
Cannot afford college	157	8.1
No academic progress	118	6.1
Employment demands	96	5.0
Concerned about requirements	82	4.2
Not a Maryland resident	24	1.2
Did not need grant	5	0.3
EAG not reputable	1	0.1
Other	458	23.7

The difference between male and female students was similar to the survey of students who declined awards. Of the men who cancelled their awards 13.8 percent went out-of-state compared to 7.2 percent of women. Further, 27.5 percent of men who cancelled their award reported that they had become part-time students versus 36.7 percent of women. The rest of the differences between male and female students was marginal. See **Table C5**.

Table C5. Notable Gender Differences

Reason for Declining EAG	Female (%)	Male (%)
Enrolled out-of-state	7.2	13.8
Attend part-time	36.7	27.5
No academic progress	4.6	9.0
Personal	13.4	7.4

Note: The rest of the possible reasons did not have a significant (greater than five percent) gender gap.

Likewise, differences between dependent and independent students followed the pattern of the previous survey. Of the students who cancelled their award, 16.1 percent of dependents versus 4.4 percent independents enrolled out-of-state and 25.3 percent of dependents compared to 40 percent of independents became part-time students. **See Table C6.**

Table C6. Differences between Dependent and Independent Students

Reason for Declining EAG	Dependent (%)	Independent (%)
Enrolled out-of-state	16.1	4.4
Attend part-time	25.3	40.0

Note: The rest of the possible reasons did not have a significant (greater than five percent) difference between dependent and independent students.

As far as regional demographics, Southern Maryland and Western Maryland were the only areas of Maryland where less than 20 percent of respondents cited part-time enrollment as a reason for cancelling their award. In the fall/ spring Survey, students from Frederick County, Mid-Maryland and Susquehanna had the highest percent of respondents who cancelled because they enrolled out-of-state. **See Table C7.**

Table C7. Geographic Differences

Region	Reason for Declining EAG (%)			
	Did not enroll	Out-of-state	Attend part-time	Personnel
Anne Arundel	11.6	8	37.5	13.4
Baltimore County	15	5.3	39.5	11.8
Frederick	11.6	18.6	27.9	11.6
Montgomery	13.9	12.5	36.1	12.1
Prince George's	13.4	11.1	30.2	9.5
Baltimore City	14.9	3.8	37.1	13
Lower Shore	8.2	1.6	36.1	9.8
Upper Shore	20.9	4.7	39.5	11.6
Mid-Maryland	13.6	16.8	32.8	8
Southern Maryland	24.6	7	19.3	10.5
Susquehanna	14.5	16.4	25.5	16.4
Western Maryland	12.9	11.4	18.6	18.6

Appendix A: Summer Survey

2005 Survey on the Educational Assistance Grant

Please Help Plan the Future of Maryland's Student Aid Programs!

The Educational Assistance Grant (EAG) is Maryland's largest need-based grant program that provides financial assistance for higher education expenses. To be eligible, students must complete the Free Application for Federal Student Aid (FAFSA) and attend college as a full-time, degree-seeking undergraduate. Awards range from \$400 to \$2,700 annually.

For each question, please circle the letter(s) next to the appropriate response(s).

Section I. Award Questions

- 1. Did you receive an award letter from the Maryland Higher Education Commission notifying you of your EAG award? If no or unsure, you do not have to answer the remaining survey questions.**
 - a. Yes
 - b. No
 - c. Unsure

- 2. If you received notification of an EAG award, why did you choose not to accept the award or not to respond to the award letter? (circle all that apply)**
 - a. School I plan to attend was not listed on the award letter
 - b. Enrolled at an out-of-state college or university
 - c. I will be attending college part-time
 - d. Didn't consider the EAG to be a reputable program
 - e. Financially not able to attend college
 - f. Award not enough to cover educational expenses
 - g. Concerned about meeting the requirements to keep the award
 - h. Personal reasons prevented me from attending college
 - i. Employment demands prevented me from attending college
 - j. Not a Maryland resident
 - k. Didn't need the money
 - l. Other _____

- 3. I will be enrolled at a college or university for the fall 2005 semester.**
 - a. Yes
 - b. No

(Over)

Section II. Demographic Questions

To ensure the EAG program is meeting the needs of the population it is trying to assist, we need information on the students that are offered and/or receive the award. Please help us by filling out the information below that will be used for research purposes only.

1. What is your gender?

- a. Female
- b. Male

2. Were you born before January 1, 1982?

- a. Yes
- b. No

3. If you were born after January 1, 1982, are you a member of the U.S. Armed Forces, are you married, or do you have children? Answer "yes" if any of these apply.

- a. Yes
- b. No

4. In what county do you live? (circle only one)

- | | |
|---------------------|--------------------|
| a. Allegany | n. Kent |
| b. Anne Arundel | o. Montgomery |
| c. Baltimore County | p. Prince George's |
| d. Calvert | q. Queen Anne's |
| e. Caroline | r. St. Mary's |
| f. Carroll | s. Somerset |
| g. Cecil | t. Talbot |
| h. Charles | u. Washington |
| i. Dorchester | v. Wicomico |
| j. Frederick | w. Worcester |
| k. Garrett | x. Baltimore City |
| l. Harford | |
| m. Howard | |

5. If you are enrolled at a Maryland college or university and would like to inquire about reinstating your EAG award, contact the Office of Student Financial Assistance via e-mail at osfamail@mhec.state.md.us, by phone at 410-260-4565 or 1-800-974-1024, or by mail at:

Maryland Higher Education Commission
Attn: Office of Student Financial Assistance
839 Bestgate Road, Suite 400
Annapolis, MD 21401-3013

Thank you for participating in this survey.

Appendix B: Fall 2005/Spring 2006 Survey

2005 Survey on the Educational Assistance Grant

Please Help Plan the Future of Maryland's Student Aid Programs!

The Educational Assistance Grant (EAG) is Maryland's largest need-based grant program that provides financial assistance for higher education expenses. To be eligible, students must complete the Free Application for Federal Student Aid (FAFSA) and attend college as a full-time, degree-seeking undergraduate. Awards range from \$400 to \$2,700 annually.

For each question, please circle the letter(s) next to the appropriate response(s).

Section I. Award Questions

- 1. Did you accept an EAG offered to you by the Maryland Higher Education Commission?** If no or unsure, you do not have to answer the remaining survey questions.
 - c. Yes
 - d. No
 - e. Unsure

- 2. If you accepted and received the EAG award for the 2005 fall semester², why was your award cancelled during the semester? (circle all that apply)**
 - f. Did not enroll in school
 - g. Enrolled at an out-of-state college or university
 - h. I am attending college part-time
 - i. Financially not able to attend college
 - j. Award not enough to cover educational expenses
 - k. Concerned about meeting the requirements to keep the award
 - l. I am not meeting satisfactory academic progress
 - m. Personal reasons prevented me from attending college
 - n. Employment demands prevented me from attending college
 - o. Not a Maryland resident
 - p. Did not need the money
 - q. Did not consider the EAG to be a reputable program
 - r. Other _____

- 3. I will be enrolled at a college or university for the fall 2005 semester.**
 - s. Yes
 - t. No

(Over)

² In the Actual Spring Survey this question said "spring 2006 semester."

Section II. Demographic Questions

To ensure the EAG program is meeting the needs of the population it is trying to assist, we need information on the students that are offered and/or receive the award. Please help us by filling out the information below that will be used for research purposes only.

1. What is your gender?

- u. Female
- v. Male

2. Were you born before January 1, 1982?

- w. Yes
- x. No

3. If you were born after January 1, 1982, are you a member of the U.S. Armed Forces, are you married, or do you have children? Answer "yes" if any of these apply.

- y. Yes
- z. No

4. In what county do you live? (circle only one)

- | | |
|---------------------|--------------------|
| n. Allegany | n. Kent |
| o. Anne Arundel | o. Montgomery |
| p. Baltimore County | p. Prince George's |
| q. Calvert | q. Queen Anne's |
| r. Caroline | r. St. Mary's |
| s. Carroll | s. Somerset |
| t. Cecil | t. Talbot |
| u. Charles | u. Washington |
| v. Dorchester | v. Wicomico |
| w. Frederick | w. Worcester |
| x. Garrett | x. Baltimore City |
| y. Harford | |
| z. Howard | |

5. If you are enrolled at a Maryland college or university and would like to request reinstatement of your EAG award, contact the Office of Student Financial Assistance in writing. Letters should include your name, address, social security number, school attending, and reason for your reinstatement request. Mail to:

Maryland Higher Education Commission
Attn: Office of Student Financial Assistance
839 Bestgate Road, Suite 400
Annapolis, MD 21401-3013

Thank you for participating in this survey.