

# Program Support for the MGSLP

## State Need:

- The Board of Regents created MGSLP to administer the guaranteed student loan program on its behalf. Since its creation in 1979, the federal loan program has grown and changed in both scope and nature due to changes brought about at the federal level. MGSLP needs to make those program changes in order to continue to meet its federal obligations.

## Market Reality:

- Sadly, roughly 3 out of every 4 Montana students need financial aid in order to attend college. Even worse, of those students who default on their student loans, over 80% did not complete their program of study.

## Current Problem:

- MGSLP simply doesn't have the personnel resources to meet the growing demand for information about financial aid.
- Certain programs – like GEAR UP, are not sustainable without adequate resources.
- Montana, in part because of its economy, has severe problems getting students into and completing college.

## Proposed Solution:

- Add program support for GEAR UP, Default Prevention, Default Resolution, Information Technology, and Communications (9 FTE).

## Required Investment:

- No State General Fund dollars are necessary. As a federal program, MGSLP has fee revenue to support these program expansions.

## Return on Investment:

- Improved access to post-secondary education for Montanans
- Better educated Montana workforce
- Improved economy
- Increased tax revenue

## Selected Examples of Return:

- Increased revenue to MUS due to increases in enrollment
- Reduction in student loan delinquency and defaults
- Improved ranking in per capita income, unemployment, college graduation, etc.