

# SERVING LOW-INCOME ADULT STUDENTS WITH STATE FINANCIAL AID

January 26, 2016



**EDUCATION COMMISSION  
OF THE STATES**

Your education policy team.

**CENTER *for* POSTSECONDARY *and*  
ECONOMIC SUCCESS**



# Who we are

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The **essential, indispensable** member of any team addressing education policy.



# What we do

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We believe in the power of **learning from experience** and we know informed policymakers create **better education policy**.



# How we do it

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# Seeding the Conversation on State Financial Aid

- Partnership led by ECS
- Seek to foster conversations surrounding state financial aid redesign within and across states and levels of government
- Particular focus on redesigning aid to better meet the needs of adult students enrolled in postsecondary programs

# Seeding the Conversation on State Financial Aid

## ■ Future Activities

- ◆ Results from survey of adults without college credentials who may seek state financial aid
- ◆ Policy brief and 50-state comparison of adult-focused state financial aid programs
- ◆ Ongoing webinar series

# Four Principles of State Financial Aid Redesign

**Student-Centered**

**Goal Driven, Data Informed**

**Timely and Flexible**

**Broadly Inclusive**

# Our Partner – The Center for Law and Social Policy

- Nonpartisan, nonprofit policy organization that advocates for smart policy solutions to uplift low-income communities
- We work in five core areas: child care, youth policy, **postsecondary education and workforce development**, income and work supports, and job quality
- The postsecondary work at CLASP focuses specifically on low-income, nontraditional students



# Today's Speakers

- Wayne Taliaferro, Policy Analyst, CLASP
- Sean Tierney, Associate Commissioner for Policy, Indiana Commission for Higher Education
- Meredith Fergus, Manager, Financial Aid Research / SLEDS Coordinator, Minnesota Office of Higher Education

# Today's Agenda

- I. Discuss Context**
- II. Discuss CLASP Research**
- III. Highlight Gaps and Challenges in State Financial Aid for Adults**
- IV. Focused State Discussion with IN and MN**

# The Context

## YESTERDAY'S NONTRADITIONAL STUDENT IS TODAY'S TRADITIONAL STUDENT

OVER AGE 25	40%
INDEPENDENT STATUS	51%
ENROLLED IN A PUBLIC 2-YEAR COLLEGE	38%
ENROLLED PART TIME	37%
MINORITY	42%
LOW INCOME	51%
EMPLOYED PART TIME	37%
EMPLOYED FULL TIME	27%
PARENTS	26%
SINGLE PARENTS	15%

Source: Analysis of National Center for Education Statistics data, *Center for Postsecondary and Economic Success*, Center for Law and Social Policy

This creates unique challenges for aid accessibility...

The Reality for Adult Students...	The Frequent Reality of State Aid...
<p>Opportunity costs are high! Needs are more complex and time-to-degree or credential can take longer.</p> <p>40% of students are over 25. The average age of a community college student is 29.</p> <p>Enrollment intensity fluctuates.</p> <p>Enrollment patterns are less predictable.</p>	<p>Awards frequently...</p> <ul style="list-style-type: none"> <li>are based on merit rather than need</li> <li>have term limits that assume faster matriculation</li> <li>do not supplement living costs</li> </ul> <p>Award ineligibility if more than a certain number of years since high school completion have passed.</p> <p>Eligibility often limited to or preferences full-time enrollment</p> <p>Aid disbursement based on application deadlines that favor traditional students</p>

# The Demand

- 2/3 of jobs will require some level of education beyond high school by 2020
- The overwhelming majority of *new* jobs are already going to people with postsecondary credentials

ADDITIONAL ASSOCIATE AND BACHELOR'S DEGREES NEEDED	TOTAL
to Match Best-Performing Countries in College Attainment Among 25- to 64-Year-Olds by 2020	10.1 Million
to Match Best-Performing Countries in College Attainment Among 25- to 34-Year-Olds by 2020	6.5 Million
to Meet Workforce Demand by 2018	3 Million
ADDITIONAL POSTSECONDARY CERTIFICATES NEEDED	TOTAL
to Meet Workforce Demand by 2018	4.7 Million

- It is ***numerically impossible*** to meet our educational attainment and workforce goals without including adults in our upskilling efforts.

Source: National Center for Higher Education Management Systems, Georgetown Center on Education and the Workforce, and the Western Interstate Commission for Higher Education

# CLASP Model



# Prioritizing Need-Based Aid

## Priority of Need-Based Aid

- \$7.8 billion of total state aid is awarded in the form of need-based grants, but not all of these grant programs offer the same level of student access
- Nuances that can warrant ineligibility:
  - *age-out policies, enrollment intensity requirements, merit stipulations, term and annual limits on awards*
  - *prior convictions, unpaid child support, documentation status*
- 33 of the largest state aid programs link aid eligibility to college entrance exam scores or grade point averages

### State Spotlight Minnesota

- Offers assistance to students from low- and moderate-income backgrounds
- Accepted at 130 public and private institutions in the state.
- Accessible to all students, including nontraditional adults, those without a formal high school diploma who can demonstrate equivalent proficiency, and eligible undocumented students
- Grant aid is prorated based on enrollment intensity, and uses a shared responsibility model that calculates the state award amount based on all personal and federal contributions.

Source: National Association of State Student Grant and Aid Programs, 2015; Education Commission of States, 2015

# Maximizing Accessibility

**Inclusive of *All*  
Nontraditional  
Adult Students  
and  
Institutions**

- Heavy concentration of adult students in community and technical colleges.
- Equitable funding for these institutions is critical
- Funding affects aid and aid purchasing power.
- Cost burden shift to students, higher debt amounts
- Burdens can be even higher when aid programs do not recognize short-term, noncredit programs

## **State Spotlight Washington**

Washington's Opportunity Grant Program provides support to low-income adults at community and technical colleges to train for high-wage, high-demand careers.

# State Aid as a Strategic Supplement

## State Aid as a Strategic Supplement for Unmet Need

- Non-tuition related expenses are a real and significant portion of the cost of attendance, especially for adults
- At community colleges, living expenses account for an estimated 70 percent of the cost of attendance, and only about 1/3 of community colleges accurately report those costs.
  - Rise in student poverty, food and housing insecurity
  - Need for better leveraging of all resources
    - ❑ *public benefits access for college students*
- As students matriculate, costs and unmet need rises.
- Award displacement as an impediment to aid opportunities. Maximize aid at every level!

### State Spotlights

#### Big State Programs

\*Cal Grant B

#### Niche Programs

\*Arkansas, Single Parent Scholarship

\*Massachusetts, Massachusetts Cash Grant

\*Minnesota, Minnesota Child Care Grant

Source: Wisconsin HOPE Lab



# Application and Disbursement Policy

## Aid Application, Disbursement, and Enrollment Flexibility

- Technicalities can turn well intentioned aid programs into exclusionary programs
  - first-come, first-serve aid disbursement
  - Application deadlines designed for traditional students
  - Preferences for full-time enrollment
    - ❑ *29 of the largest state aid programs will only fund full-time students*
    - ❑ *43 set term or annual time limits on awards*

### State Spotlights

- Indiana** Indiana established the Part-Time Grant (Adult Student Grant) to align aid eligibility with more flexible enrollment schedules. The state's focus on adults, as evidenced by its reengagement initiatives, demonstrates the commitment to this budding segment of postsecondary education.
- Oregon** In 2015, the process for awarding Oregon Opportunity Grants was revised to disburse grants in accordance with student need rather than based on FAFSA completion dates.
- Illinois** A 2000 study of the Illinois MAP program nontraditional adult students benefited greatly from the expanded eligibility of the program for less-than half time enrollment. Eligibility was subsequently expanded.

Source: Education Commission of States, 2015

# Our Questions for States

- ✓ Does your state-funded financial aid program support the financially neediest postsecondary students?
- ✓ Are adults of all ages eligible?
- ✓ Does your program have realistic satisfactory progress standards for adults?
- ✓ Does your program have an age cutoff or “statute of limitations”?
- ✓ Does your aid program support part-time enrollment?

# Our Questions for States

- ✓ Does your aid program take into account the extra time some adults may need to complete remedial coursework?
- ✓ Does your aid program attempt to comprehensively cover the cost of attendance, including living expenses like child care and transportation?
- ✓ Does the timing of application and aid disbursement meet the needs of adults, whose decision and enrollment patterns may differ from more traditional students?
- ✓ Does your aid program support the institutions and programs of study adults are likely to attend and pursue, including noncredit and online programs?
- ✓ Does your program supplement other aid sources and encourage adults to package multiple sources of support, avoiding aid displacement?

# In the States

- Sean Tierney, Associate Commissioner for Policy, Indiana Commission for Higher Education
- Meredith Fergus, Manager, Financial Aid Research / SLEDS Coordinator, Minnesota Office of Higher Education

# Indiana Context

- ◆ Undergraduate public 2- and 4-year enrollment:
  - ▶ 280,000 Headcount; 204,000 FTE
- ◆ Of FAFSA filers...
  - ▶ 53% Independent; 47% First Generation; 56% Pell eligible
- ◆ Workforce
  - ▶ Indiana is the most manufacturing intensive state
  - ▶ Indiana's labor force growth rate is expected to be flat from 2020 to 2030

# Indiana's *You Can. Go Back.* Campaign

- Indiana ranks **7<sup>th</sup> in the nation** in need-based aid per FTE.
- While some grants are available to adults, historically the focus has been on traditional students.
- *You Can. Go Back.* Campaign:
  - ◆ Incentives
    - ▶ Adult Student Grant (ASG) - \$1,000 on first come, first serve basis
    - ▶ Discounted tuition; credit for work experience; grade/debt forgiveness
  - ◆ Outreach
    - ▶ Direct student outreach
    - ▶ College match website
  - ◆ Partnerships
    - ▶ Indiana Colleges, Employers, Communities

# Indiana's *You Can. Go Back.* Campaign

A lot has changed since you left college.  
**LIKE YOU, FOR INSTANCE.**



Scan with your smart phone

Explore special programs and incentives for returning students.

<b>FLEXIBLE</b> Online, Evening & Weekend Classes	<b>\$1,000</b> State Grants* First Come, First Serve	<b>CREDIT</b> For Work/Military Experience* <small>* For eligible students</small>
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**LEARN MORE INDIANA** You Can. Go Back.  
An Initiative of the Indiana Commission for Higher Education

visit [www.YouCanGoBack.com/2016](http://www.YouCanGoBack.com/2016)  
or call (844) GO-BACK-2  
(844) 462-2252

A lot has changed since you left college.  
**LIKE YOUR REASONS FOR RETURNING.**



<b>LARGE INCOME BUMP</b> <b>+\$20K</b> <small>College Grads vs High School Grads</small>	<b>LESS CHANCE OF BEING UNEMPLOYED</b> <b>3X</b> <small>Bachelor's vs High School Degree</small>	<b>MORE CAREER OPTIONS</b> <b>60%</b> <small>Jobs Requiring Education Beyond High School by 2018</small>
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Explore available programs and access your incentives  
[www.YouCanGoBack.com/Lavonne.Smith](http://www.YouCanGoBack.com/Lavonne.Smith)  
An Initiative of the Indiana Commission for Higher Education

**LEARN MORE INDIANA**

**LEARN MORE INDIANA**

**You Can. Go Back.**

# Successes & Challenges – Indiana

## ◆ Successes

- ▶ Widespread communications and outreach
- ▶ Adult Student Grant (ASG) increase

## ◆ Challenges

- ▶ Satisfactory Academic Progress (SAP) as a hurdle
- ▶ Converting outreach into enrollment

## ◆ Next Steps

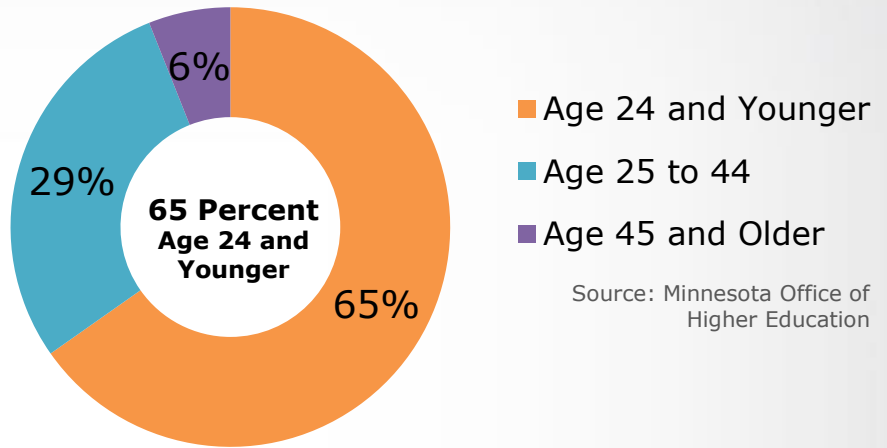
- ▶ Lead generation and improving touch points
- ▶ Reconsidering SAP, ASG eligibility requirements, & prior learning assessment costs
- ▶ Governor Holcomb's proposed Jobs Ready Grant



# Minnesota's students

- 264,000 undergraduates
- 153,000 FAFSA filers
  - ◆ 51,000 independent
    - ▶ Average income \$30,500
    - ▶ 52% with children
- MN unemployment rate of 3.8%
  - ◆ Lead the nation in labor force participation
  - ◆ Job growth expected to slow over next 10 year; lack of available workers may cause further stagnation in economic growth

**Minnesota Undergraduates by Age  
Fall 2015**



# Financial Aid Policy Development – Minnesota

- ◆ Most of our programs expanded between 1985-1995 to be inclusive of nontraditional students
- ◆ Now we are experiencing a trend in niche programs – programs serving a specific group of students; struggle to get attention focused on nontraditional students
  - ▶ Loan refinancing for college graduates
  - ▶ Training grants in specified industries
  - ▶ Occupational grants for high school graduates
  - ▶ Loan forgiveness for teachers

# Successes & Challenges – Minnesota

- What have been some of the successes?
  - ◆ Enacted the MN Dream Act
  - ◆ Expanded financial grants within MN State Grant, Child Care Grants
  - ◆ Eliminated waiting lists within smaller programs (MN Indian Scholarships)
  - ◆ Developing the SNAP E&T/State Grant partnership (modeled after Washington State's program)
- What have been some of the challenges?
  - ◆ MN cannot achieve its educational attainment goal without adult learners
  - ◆ We still struggle with the notion of defining “affordable” in the era of “free college”
  - ◆ Financial aid directly competes with institutional appropriations
- How are those issues being addressed and where is the state going from here?

# Questions



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