

North Carolina Student Aid Study Group

September 10, 2018 Meeting Materials

September 4, 2018

Dear Study Group Member:

We are looking forward to seeing you on Monday, September 10, 2018 1:00 p.m. – 4:00 p.m. in the Board Room at the Center for School Leadership Development in Chapel Hill, North Carolina for our first face-to-face meeting of the North Carolina Student Aid Study Group.

We expect a lively and engaged discussion around the goals and plans for our Study Group, as well as the broader outlook for student aid in North Carolina.

Please find enclosed a series of documents to help prepare you for our meeting.

There are ten articles that we have identified as helpful pre-reads. To support you in accessing these materials, HCM Strategists has created two documents. Starting on page 8, you will find an annotated bibliography with high-level summaries of each piece and links to access the articles online. Starting on page 12, you will find a more detailed summary of key points from each article for members who want to learn more but may not have the time to read the full articles.

If you have any questions or need anything prior to the meeting, please do not hesitate to reach out to me.

Sincerely,



Annika Many
Project Manager
NC Student Aid Study Group
amany@edbridgepartners.com

TABLE OF CONTENTS

Agenda.....	4
Meeting and Contact Information.....	5
Study Group Meeting Schedule and Locations.....	6
Links to Materials from our August 2, 2018 Kickoff Call	7
Pre-Reads for September 10 Meeting: Annotated Bibliography	8
Pre-Reads for September 10 Meeting: Summary of Key Points.....	12

North Carolina Student Aid Study Group
Monday, September 10, 2018 | 1:00 p.m. – 4:00 p.m.
Center for School Leadership Development, Board Room
140 Friday Center Dr, Chapel Hill, NC 27517

Remote Access: <https://join.startmeeting.com/ereilley>
Dial-in number (US): (701) 801-1230 | Access code: 310792#
Online meeting ID: ereilley

Agenda

- | | |
|------------------------------|--|
| 1:00 p.m. – 1:15 p.m. | Welcome and Re-Introductions

<i>UNC System & North Carolina Community College System</i> |
| 1:15 p.m. – 1:30 p.m. | Discussion: Adopting the Charge and Goals for the Study Group

<i>Andrew Kelly, Senior Vice President for Strategy & Policy, UNC System</i> |
| 1:30 p.m. – 2:00 p.m. | The National Context for Student Aid Reform

<i>Sandy Baum, Fellow, Education Policy Program, Urban Institute</i> |
| 2:00 p.m. – 2:40 p.m. | North Carolina's Student Aid Programs <ul style="list-style-type: none">- History and Background- Governance and Program Overview- Q&A
<i>Elizabeth McDuffie, Executive Director, North Carolina State Educational Assistance Authority (NCSEAA)</i> |
| 2:40 p.m. – 2:50 p.m. | Break |
| 2:50 p.m. – 3:30 p.m. | North Carolina's Student Aid Programs, cont. <ul style="list-style-type: none">- Student Data and Outcomes- Results from Financial Aid Directors Survey- Q&A
<i>Martha Snyder, Senior Director, HCM Strategists</i> |
| 3:30 p.m. – 3:50 p.m. | Discussion: Group Assessment of Strengths and Opportunities for improvement |
| 3:50 p.m. – 4:00 p.m. | Wrap up and Next Steps <ul style="list-style-type: none">- Next Meeting: Wednesday, October 10 1-4 p.m.
Center for School Leadership Development, Room 128 |

Meeting and Contact Information

Location:

Room: Board Room
 UNC Center for School Leadership Development
 140 Friday Center Dr, Chapel Hill, NC 27517

Remote Access: <https://join.startmeeting.com/ereilley>
 Dial-in number (US): (701) 801-1230 | Access code: 310792#
 Online meeting ID: ereilley

Parking

Complimentary on-site parking is available.

Contact Information

For assistance before or on the day of the event, please contact: Annika Many,
amany@edbridgepartners.com, 917-558-0792 (mobile)

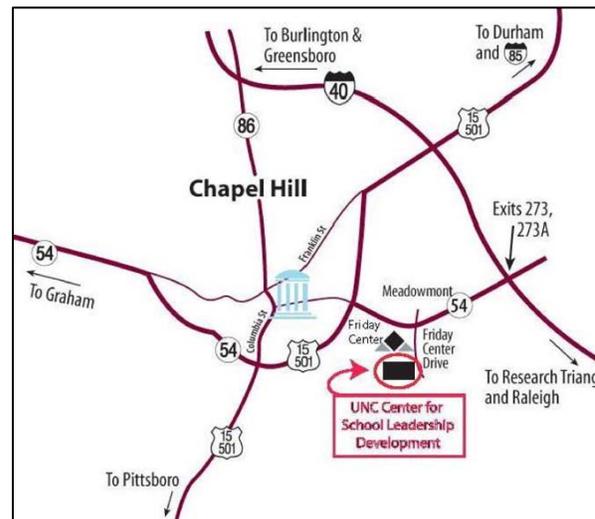
Driving Directions

From the east (Raleigh): Take 1-40 to the Highway 54W/Chapel Hill exit (Exit 273A). Take Highway 54 West toward Chapel Hill. Go through 5 traffic lights. Turn left onto Friday Center Drive and get in the left lane. Follow the signs for the UNC Center for School Leadership Development.

From the west (Burlington or Greensboro): Follow 1-40/1-85 and remain on 1-40 (toward Raleigh) when it branches off of 1-85. Follow 1-40 around Chapel Hill until you reach Exit 273. Exit here and take Highway 54 West toward Chapel Hill. Go through four traffic lights. Turn left onto Friday Center Drive and follow the signs for the UNC Center for School Leadership Development.

From the south (Pittsboro): Take the Highway 15-501/54 bypass around Chapel Hill. About 2 ¼ miles after you get on the bypass, you will come to the junction with Highway 54. Turn right onto the ramp and down to Raleigh Road (Highway 54). Turn right on Raleigh Road and go through 3 traffic lights. Turn right onto Friday Center Drive and get in the left lane. Follow the signs for the UNC Center for School Leadership Development.

From the north (Durham): Follow 15-501 South. Continue on 15-501 South past Eastgate and University Mall Shopping Centers on your right. About 1 mile beyond University Mall, look for an exit sign directing you to Raleigh via Highway 54. Turn right at this exit. Follow the exit ramp to Raleigh Road (Highway 54). Turn right on Raleigh Road and go through 3 traffic lights. Turn right onto Friday Center Drive, and get in the left lane. Follow the signs for the UNC Center for School Leadership Development.



Study Group Meeting Schedule and Locations

Monday, September 10, 2018

1:00 p.m. – 4:00 p.m.

UNC Center for School Leadership Development

Board Room

140 Friday Center Dr, Chapel Hill, NC 27517

Wednesday, October 10, 2018

1:00 p.m. – 4:00 p.m.

UNC Center for School Leadership Development

Room 128

140 Friday Center Dr, Chapel Hill, NC 27517

Wednesday, October 31, 2018

9:00 a.m. – 12:00 p.m.

JB & Claire Davis Corp. Training Center

Continuing Education and Industrial Center

Randolph Community College

629 Industrial Park Ave, Asheboro, NC 27205

Wednesday, November 28, 2018

1:00 – 4:00 p.m.

UNC System Office, CD Spangler Building

Board Room

910 Raleigh Road, Chapel Hill 27514

Links to Materials from our August 2, 2018 Kickoff Call
(for reference only)

- ❖ [NC Student Aid Study Group Roster](#)
- ❖ [HCM Content Topics and Development](#)
- ❖ [Study Group Charge, Key Questions, Principles, and Goals](#)
- ❖ [Proposed Meeting Schedule and Topics](#)
- ❖ [ECS Presentation](#)

Pre-Reads for September 10 Meeting: Annotated Bibliography

Click on each source's title to jump ahead to a summary of key points later in this document or click the "full text" link to read the study.

- ❖ Molly Sarubbi and Sarah Pingel, "[How Students Use Federal, State and Institutional Aid to Pay for College: A Primer for State Policymakers](#)," Education Commission of the States (January 2018)

FULL TEXT: https://www.ecs.org/wp-content/uploads/How_Students_Use_Federal_State_and_Institutional_Aid_to_Pay_for_College..pdf

This primer is primarily targeted toward state policymakers. It outlines the different types of aid available at federal, state, and institutional levels, and provides a brief description of award guidelines.

- ❖ Nate Johnson, "[Understanding Higher Education Finance: Sources of Postsecondary Funding and Implications for Low-Income Students](#)," Postsecondary Analytics (September 2017)

FULL TEXT: http://s10851.pcdn.co/wp-content/uploads/2017/09/PSA_Higher_Ed_Finance.pdf

The brief examines student and institutional finance and tax subsidies to paint a picture of total investments in higher education. Data sources include the Integrated Postsecondary Education Data System (IPEDS) for institutional revenues, Trends in Student Aid and the National Postsecondary Student Aid Survey (NPSAS) for student finance, U.S. Treasury reports for federal tax expenditures, and the U.S. Census for state tax expenditures. The brief has two main objectives: 1) to show who is funding higher education; and 2) to describe what types of funding affect low-income students' enrollment and completion. The brief presents general implications of revenue sources and stakeholder-specific implications for federal, state and local policymakers and private donors and institutional leaders. The brief also provides a breakdown graph for each revenue source indicating which students and type of institution it benefits the most, and its response to recessions.

- ❖ Sarah Pingel et al., "[Redesigning State Financial Aid: Principles to Guide State Aid Policymaking](#)," Education Commission of the States (August 2018)

FULL TEXT: <https://www.ecs.org/wp-content/uploads/Redesigning-State-Financial-Aid.pdf>

In this brief, ECS provide four principles that would streamline state financial aid programs and processes. ECS believes that financial aid programs should be: 1) student-centered; 2) goal-driven and data-informed, 3) timely and flexible, and 4) broadly inclusive of all students' educational pathways.

- ❖ Susan Dynarski and Judith Scott-Clayton, “[Financial Aid Policy: Lessons from Research](#),” National Bureau of Economic Research (January 2013)

FULL TEXT: <http://www.nber.org/papers/w18710.pdf>

Dynarski and Scott-Clayton analyze and discuss the findings of four major studies conducted on financial aid effectiveness. The studies used experimental and quasi-experimental research analysis. A myriad of characteristics that determine different aid eligibility make research on the subject difficult to accomplish and the use of quasi-experimental research limits generalization. Four primary findings: 1) grant aid availability increases enrollment rates; 2) the complexity of applying for aid is a barrier for students and college access; 3) incentives for college performance increase completion; and 4) loan design can minimize repayment risks.

- ❖ Sandy Baum et al., “[Beyond Need and Merit: Strengthening State Grant Programs](#),” Brown Center on Education Policy at Brookings Institution (May 2012)

FULL TEXT: https://www.brookings.edu/wp-content/uploads/2016/06/0508_state_grant_chingos_whitehurst.pdf

The report presents an argument for removing merit-based and need-based funding parameters. The authors introduce three recommendations for the allocation of state financial aid funds: 1) focus resources on students whose chances of enrolling and succeeding in college will be most improved by the receipt of state support; 2) consolidate and simplify programs in order to make them easily understood by prospective college students and their families; and 3) design programs so that they not only help students gain access to college but also encourage success after they arrive.

- ❖ William N. Evans et al., “[Increasing Community College Completion Rates among Low-Income Students: Evidence from a Randomized Controlled Trial Evaluation of a Case Management Intervention](#),” National Bureau of Economic Research (December 2017)

FULL TEXT: <http://www.nber.org/papers/w24150.pdf>

The paper presents findings of a randomized controlled trial on a comprehensive case management intervention designed to help low-income students overcome obstacles that may have threatened their persistence in a community college. Findings indicate that female students were more comfortable reaching out to their college navigator than males in the study and were more likely to have completed an associate’s degree. The program called “Stay the Course” offered more in-depth case management services than a traditional academic advisor. Students were paired with a social worker (“navigator”) who offered mentoring, coaching, and referred students to additional services both internal and external to the institution such as SNAP, health services, child-care and other government programs. The program also included emergency financial assistance for personal costs (e.g. housing,

vehicle repairs, family emergencies, etc.) that may deter a student from continuing their studies.

- ❖ Eileen L. Horng et al., "[Lessons Learned from a Data-Driven College Access Program: The National College Advising Corps](#)," *New Directions for Student Leadership*, no. 140 (January 2014)

ABSTRACT: <https://onlinelibrary.wiley.com/doi/abs/10.1002/yd.20078>

FULL TEXT: <https://3.basecamp.com/4066770/buckets/8555617/uploads/1267558605>

The paper evaluates the National College Advising Corps (NCAC) program. The evaluation was conducted using qualitative and quantitative data. Findings from the evaluation led to the creation of a Director of Measurement at the national office to build capacity for continued evaluation, emphasize the importance of relationship building with school leadership and develop a framework for selecting high schools with the most need using state and district data.

- ❖ Joshua Angrist et al., "[Incentives and Services for College Achievement: Evidence from a Randomized Trial](#)," *American Economic Journal: Applied Economics*, no 1 (January 2009)

ABSTRACT: <https://www.aeaweb.org/articles?id=10.1257/app.1.1.136>

FULL TEXT: <https://3.basecamp.com/4066770/buckets/8555617/uploads/1269676670>

The paper presents findings on the Student Achievement and Retention Project (STAR) at a large Canadian university. The institution is primarily a commuter school with 80 percent of students living at home and planning to work part-time while enrolled. A large segment of participants were immigrants or children of immigrants; however, their parents were identified as reasonably well-educated, many having college degrees. The study was a randomized evaluation of academic services and incentives among three test groups. Findings indicate that women used support services more than men and were more likely to sign up for the program, and women who received both support services and cash incentives outperformed other groups who received one or the other, and men.

- ❖ Eric Hoover and Scott Carlson, "[Students on the Margins: For many low-income families, college is a question mark](#)," *The Chronicle of Higher Education* (October 2017)

FULL TEXT: <https://www.macalester.edu/academicprograms/wp-content/uploads/sites/77/2017/10/StudentsontheMargins.pdf>

This human-interest piece explores the challenges low-income students face as they apply, navigate and attempt to complete their postsecondary studies. Students in low-income high schools face a variety of systemic financial aid challenges including verification, incomplete financial aid awards and misaligned deadlines.

- ❖ Luci Lapovsky, “[Rethinking Student Aid: Nontraditional Students](#),” ed. Sandy Baum, Michael McPhearson and Patricia Steele. (New York: The College Board) (2008)

FULL TEXT (starting p. 141 of report or 147 of the PDF):

https://www.researchgate.net/profile/Sandy_Baum/publication/265183135_The_Effectiveness_of_Student_Aid_Policies/links/54748a5b0cf245eb436de4cd/The-Effectiveness-of-Student-Aid-Policies.pdf

This piece considers the definition of qualification for nontraditional students using both the federal financial aid systems definition and the National Center for Education Statistics definition. The author presents several issues with the federal methodology formulas and their imbalance when used on nontraditional students. Nontraditional students are affected by their full-time/part-time enrollment and work status.

Pre-Reads for September 10 Meeting: Summary of Key Points

- ❖ Molly Sarubbi and Sarah Pingel, “**How Students Use Federal, State and Institutional Aid to Pay for College: A Primer for State Policymakers**,” Education Commission of the States (January 2018)
FULL TEXT: https://www.ecs.org/wp-content/uploads/How_Students_Use_Federal_State_and_Institutional_Aid_to_Pay_for_College..pdf

The brief is primarily targeted for policymakers. It outlines the different types of aid available at federal, state, and institutional levels, and award guidelines.

- Federal: Pell Grants, Student Loans, Work-Study
 - Pell Grants: Need-based aid that does not need to be repaid. In 2015-16 academic year, the federal government awarded \$28.2 billion in Pell dollars to 7.6 million students.
 - Student Loans: U.S. Department of Education is the largest provider, making about \$9.5 billion in awards in 2015-16.
 - Loan limits exist for annual and aggregate amounts.
 - Lifetime loan limit for an independent student is \$57,500.
 - Lifetime loan limit for a dependent student is \$31,000.
 - Interest rate is calculated on the 10-Year Treasury Note.
 - Work-Study: Award amounts are given to institutions, who then distribute amounts to students through work positions.
 - Amounts vary per institution and per student.
 - Students can work on-campus or an approved off-campus job.
- State Aid: All states except New Hampshire offer their own aid programs.
 - A majority of states use a centralized office that receives FAFSA data and uses this information to award their students aid. States that use a centralized office typically award state aid on a first-come-first-served basis.
 - Limit: awarding aid on a first-come-first-served basis disadvantages students that may lack knowledge of priority deadlines.
 - Funding flows differ by states, some states award institutions who then select students to receive those funds, while other states disburse funds to institutions on behalf of the student.
- Institutional aid: Not much information is known. Institutional aid may depend on endowments, or award aid as a discount against tuition, or create their own awarding parameters such as merit-based aid for particular programs, formation of incoming freshman classes or supporting low-income students.

- ❖ Nate Johnson, “**Understanding Higher Education Finance: Sources of Postsecondary Funding and Implications for Low-Income Students,**” Postsecondary Analytics (September 2017)
FULL TEXT: http://s10851.pcdn.co/wp-content/uploads/2017/09/PSA_Higher_Ed_Finance.pdf

This brief describes who is funding higher education and what funding types affect low-income students’ enrollment and completion of a postsecondary education. Findings include:

- *Amount and Sources of Aid*
 - Postsecondary institutions received about \$565 billion in 2013-14 with an additional \$15 billion in federal and state tax subsidies for charitable contributions and bond interest.
 - \$210 billion of the \$565 billion was paid by or on behalf of students for tuition, fees and auxiliary services (housing, parking, etc.).
 - Remaining balance was received from federal, state, and local government and private sources in the form of appropriations, gifts, grants, investment returns and payments for services.
 - \$164 billion was received for tuition and fees and excludes financial aid or discounts.
- *High Tuition vs. Low Tuition:* Tuition-dependent institutions will increase tuition until they can no longer find students that can pay their prices at which point they will reduce spending proportionately.
- *Tuition and Fees:* No national standards exist for defining tuition and fees. Institutions are free to categorize what counts as fees and what falls within the scope of tuition. Institutions can categorize certain costs as fees in lieu of raising tuition, although these could have been included in the cost of tuition. Increasing fees over tuition reduces the costs that must be covered out of the tuition component of student charges.
- *Flat vs. Per-Credit Pricing:* Flat pricing: a student pays a single fee to take as many courses as they wish within a range, typically 12-18 credit hours. Per-credit pricing: a student pays a fixed amount per credit hour for every course they take.
 - A third of students nationally are enrolled at flat pricing institutions. Flat pricing is traditionally found at public flagship and selective private institutions.
 - Per-credit pricing is common at community colleges, open-access public four-year colleges and about 75 percent of for-profit colleges.
 - Institutions using per-credit pricing generate more revenue if students increase their course loads; however, from an access perspective, flat pricing is more beneficial and presents fewer barriers to enroll in more courses.
- *Tuition and Time-to-Degree:* The introduction of competency-based education, credit-by-exam, and transfer-in of credits is beneficial to students but may threaten an institution’s business model.
- *Auxiliary Enterprises:* Auxiliary enterprises can be an effective source of revenue that can be scalable specifically for institutions serving higher-income students who are more likely to live on campus. Auxiliary expenses can become challenging for low-income

students who cannot afford the additional costs of services geared toward high-income students.

- *State Appropriations:* Declining state appropriations has led postsecondary institutions to rely more heavily on tuition and fees.
- *Need-vs. Merit-Based Appropriations:* State appropriations can have direct effects on need- and merit-based funding allocations. States that fund open-access four-year institutions and community colleges at higher levels help low-income students even if the state does not have a need-based aid program. Inversely, if a state supports highly selective institutions with larger subsidies and state appropriations, it has created merit-aid programs that reward students that can meet higher admissions criteria.
- *Allocation Methods for State Appropriations:*
 - Enrollment-based formulas reward institutions based on enrollment numbers and can mean less revenue for institutions who implement and promote transfer or acceleration of their programs.
 - Outcomes-based funding or performance formulas can change institutional business models and behaviors if these funds target specific goals such as supporting low-income students.
- *Local Appropriations:* Traditionally found at community colleges and are not as commonly found in states. Local appropriations are funded via property taxes and fluctuate less during recessions. Low-income communities have a smaller tax base compared to more wealthy areas which can fluctuate the amount received by these institutions.

❖ Sarah Pingel et al., “**Redesigning State Financial Aid: Principles to Guide State Aid Policymaking**,” Education Commission of the States (August 2018)

FULL TEXT: <https://www.ecs.org/wp-content/uploads/Redesigning-State-Financial-Aid.pdf>

In this brief, ECS provide four principles that would streamline state financial aid programs and processes. ECS believes that financial aid programs should be: 1) student-centered; 2) goal-driven and data-informed, 3) timely and flexible, and 4) broadly inclusive of all students’ educational pathways.

- In several states, a majority of state aid is earmarked for full-time students although their state may have less than half of their student population attending full-time.
- State aid programs favor traditional students entering college right after high school.
- *Principle 1: Financial aid programs should be student-centered.*
 - Awarding state aid dollars to institutions for distribution to their student populations may lead to a misalignment from state policy goals. Institutions may be driven to use these funds to address their own enrollment goals, redirecting funds away from financially needy students.
 - Aid is not portable from institution to institution. A student that receives funds to attend one institution and transfers to another may not receive equal amounts of state aid.

- Eligibility for aid is sometimes dependent on enrollment and institution selection. Shifting to aid eligibility regardless of enrollment or institution selection can be meaningful for student planning.
- *Principle 2: Financial aid programs should be goal-driven and data-informed.*
 - Understand all funding streams and use them to make informed state financial aid policies. Funding streams can include federal, state, workforce and military. Review of these funding streams can expose duplicative efforts.
 - Data systems can inform whether state aid policies are effective. Disaggregation of data and monitoring of persistence and completion metrics can inform state policymakers.
 - Collected data can inform accountability measures for postsecondary institutions and state goals in the workforce sector.
- *Principle 3: Financial aid should be timely and flexible.*
 - Establishing deadlines for state aid can exhaust funds that would be beneficial for non-traditional populations that do not follow traditional student timelines.
 - Tying state aid to traditional timelines (semesters/quarters) discourages students from participating in alternative educational programs such as year-round study.
- *Principle 4: Financial aid programs should be broadly inclusive of all students' educational pathways.*
 - State aid, in its current form, favors full-time, four-year degree-seeking programs; however, there is an increase of diverse delivery models not supported by existing aid programs.
 - Credit hours is not the only tool of tracking a student's progress. Basing state aid on credit hours may mean students are not receiving the aid necessary to complete their programs.

- ❖ Susan Dynarski and Judith Scott-Clayton, “**Financial Aid Policy: Lessons from Research,**” National Bureau of Economic Research (January 2013)
FULL TEXT: <http://www.nber.org/papers/w18710.pdf>

Dynarski and Scott-Clayton analyze and discuss the findings of four major studies conducted on financial aid effectiveness. The studies used experimental and quasi-experimental research analysis. A myriad of characteristics that determine different aid eligibility make research on the subject difficult to accomplish and the use of quasi-experimental research limits generalization. Four primary findings: 1) grant aid availability increases enrollment rates; 2) the complexity of applying for aid is a barrier for students and college access; 3) incentives for college performance increase completion; and 4) loan design can minimize repayment risks.

- *Study 1 Findings: Grant aid availability increases college enrollment rates.*
 - Between 1965 to 1982, dependents of deceased, disabled or retired Social Security beneficiaries received monthly payments while in college. After elimination of this aid in 1981, a sharp decline in college attendance occurred.
 - An additional \$1,000 of aid may increase college enrollment by 4 percentage points.

- *Study 2 Findings: The complexity of applying for aid is a barrier for students and college access.*
 - Families that received personalized eligibility information and assistance in submitting a FAFSA at a tax-preparation center (H&R Block) increased college enrollment by 24 percent for high school seniors. Students that received assistance in submitting the FAFSA completed more college than those that did not receive assistance.
 - Nontraditional student enrollment increased for those that received a Pell Grant.
 - *Study 3 Findings: Incentivizing college performance increases completion.*
 - Performance-based scholarships increase GPAs and persistence.
 - State merit aid programs can increase college preparation and enrollment.
 - *Study 4 Findings: Loan design can minimize repayment risks.*
 - College loans do not influence college enrollment as much as grants.
 - Career choices influence student loan debt.
 - Other findings:
 - Student aid's intent to assist low-income students has widened to include students from different socioeconomic statuses.
 - Net price and tuition price mislead families and make it difficult for students to estimate college costs.
 - The multitude of aid programs make it a difficult and confusing process for students, especially first-generation students.
- ❖ Sandy Baum et al., "**Beyond Need and Merit: Strengthening State Grant Programs**," Brown Center on Education Policy at Brookings Institution (May 2012)
FULL TEXT: https://www.brookings.edu/wp-content/uploads/2016/06/0508_state_grant_chingos_whitehurst.pdf

The report presents an argument for removing merit-based and need-based funding parameters. The authors introduce three recommendations for the allocation of state financial aid funds: 1) focus resources on students whose chances of enrolling and succeeding in college will be most improved by the receipt of state support; 2) consolidate and simplify programs in order to make them easily understood by prospective college students and their families; and 3) design programs so that they not only help students gain access to college but also encourage success after they arrive.

1. *Focus resources on students whose chances of enrolling and succeeding in college will be most improved by the receipt of state support.*
 - Award students with demonstrated financial need, including middle income students whose Pell Grant eligibility is slightly out of reach.
 - Develop programs for non-traditionally aged students. 39 percent of postsecondary students are over the age of 24 and enrolled part-time.
2. *Consolidate and simplify programs in order to make them easily understood by prospective college students and their families.*

- FAFSA simplification would eliminate many obstacles for families. However, states that require additional information in addition to or in lieu of the FAFSA further complicate the process for students.
 - Establishing simple funding models would provide families a clear picture of their awards.
 - Consolidating state award programs would minimize confusion among students and their families and receive broad support politically and from middle-income families.
3. *Design programs so that they not only help students gain access to college but also encourage success after they arrive.*
- States can use aid programs to incentivize students to complete their college programs. Funding students based on credit hour attainment can increase completion. Incentives using GPA can lead students to game the system by taking fewer courses to maintain eligibility.
 - Pilot aid programs can be scaled up if found to be successful or eliminated quickly if ineffective in addressing state needs.

State financial aid awards based on financial need have decreased from 90% in the early 90s to 70% today. Expansion of non-need-based grants has occurred across states.

- ❖ William N. Evans et al., **“Increasing Community College Completion Rates among Low-Income Students: Evidence from a Randomized Controlled Trial Evaluation of a Case Management Intervention,”** National Bureau of Economic Research (December 2017)
FULL TEXT: <http://www.nber.org/papers/w24150.pdf>

The paper presents findings of a randomized controlled trial on a comprehensive case management intervention designed to help low-income students overcome obstacles that may have threatened their persistence in a community college. Findings indicate that female students were more comfortable reaching out to their college navigator than males in the study and were more likely to have completed an associate’s degree. The program called “Stay the Course” offered more in-depth case management services than a traditional academic advisor. Students were paired with a social worker (“navigator”) who offered mentoring, coaching, and referred students to additional services both internal and external to the institution such as SNAP, health services, child-care and other government programs. The program also included emergency financial assistance for personal costs (e.g. housing, vehicle repairs, family emergencies, etc.) that may deter a student from continuing their studies.

- The program increased persistence and completion especially for female students.
- The return on investment of the program was calculated by the estimated earnings of students who complete a community college credential and the cost associated with running the program.
- The program assists students with development of goals and necessary steps to achieve these goals. The plan is reviewed and updated every 90 days.

- Findings of the study indicate that females in the study were 7.4 percentage points more likely to have completed an associate's degree than those in the control group.
 - Hypothesis for this outcome: female students were more comfortable meeting with the navigator.
 - The cost of the program was \$5,640 per student for the duration of the program or \$1,880 per year. This included staff salary for case managers, training, and fringe benefits.
 - Almost half of U.S. undergraduate students were enrolled in a two-year institution and half of all bachelor's degree recipients were enrolled at a community college prior to transferring to a four-year institution.
 - Low costs of community colleges mean that low-income students are attending these institutions with little if any out-of-pocket costs.
 - Issue: a large portion of students that start at a two-year institution do not finish their program of study.
 - Challenges faced by these students are both academic and personal such as a school/work balance, finding and affording day care and issues navigating the college system.
- ❖ Eileen L. Horng et al., "Lessons Learned from a Data-Driven College Access Program: The National College Advising Corps," *New Directions for Student Leadership*, no. 140 (January 2014)
ABSTRACT: <https://onlinelibrary.wiley.com/doi/abs/10.1002/yd.20078>
FULL TEXT: See attachment

The paper evaluates the National College Advising Corps (NCAC) program. The evaluation was conducted using qualitative and quantitative data. Findings from the evaluation led to the creation of a Director of Measurement at the national office to build capacity for continued evaluation, emphasize the importance of relationship building with school leadership and develop a framework for selecting high schools with the most need using state and district data.

- National College Advising Corps provides students with information and support to navigate the college admissions process and provide outreach to improve a school-wide college-going culture.
 - Partners higher education institutions with low-income high schools with a recent college graduate to serve as a full-time college advisor.
- Study included interviews with students, administrators and advisors for qualitative aspects and usage of surveys for quantitative analysis.
 - The student survey data provided researchers information on student college selection, preparation and motivation and included questions on demographics, such as parental education, gender, ethnicity, postsecondary aspirations, college preparation and college knowledge.
 - The advisor survey gathered information on the advisor's efforts, thoughts on the program and experiences with students, teachers, parents and administrators.

- The goal of NCAC is to raise college enrollment and completion rates among first-generation and low-income students.
- Additional results of the study indicate that students obtain a majority of their college knowledge from teachers and their parents. Based on these results, NCAC now has advisors provide information during teachers' classes. Students also indicated they did not know anyone who had attended college, even though all their teachers had obtained college degrees and teaching licensures. Teachers are now encouraged to put the name of their college outside their classroom door. The evaluation led to increased parent outreach.

- ❖ Joshua Angrist et al., "**Incentives and Services for College Achievement: Evidence from a Randomized Trial**," *American Economic Journal: Applied Economics*, no 1 (January 2009)

ABSTRACT: <https://www.aeaweb.org/articles?id=10.1257/app.1.1.136>

FULL TEXT: <https://3.basecamp.com/4066770/buckets/8555617/uploads/1269676670>

The paper presents findings on the Student Achievement and Retention Project (STAR) at a large Canadian university. The institution is primarily a commuter school with 80 percent of students living at home and planning to work part-time while enrolled. A large segment of participants were immigrants or children of immigrants; however, their parents were identified as reasonably well-educated, many having college degrees. The study was a randomized evaluation of academic services and incentives among three test groups. Findings indicate that women used support services more than men and were more likely to sign up for the program, and women who received both support services and cash incentives outperformed other groups who received one or the other, and men.

- Group 1: Were offered support services including mentoring by upper-class students and provided supplemental instruction.
- Group 2: Were offered cash awards up to the equivalent of a full year's tuition for meeting GPA targets.
- Group 3: Were offered a combination of support services and cash incentives.
- Findings:
 - Women were more likely to sign up for the program and used support services more than men. Results indicate men experienced no effects.
 - Hypothesis for this effect: more female advisors compared to male advisors may have contributed to males in the study engaging less with advisors than their female counterparts. Gender matching may be a factor in increasing student/advisor interactions.
 - Group 3 (those who received cash awards and services) were more likely to use the services provided. Women in this group were more likely than Group 1 and 2 participants to increase their GPAs, experience lower academic probation rates, and earn more credits.
 - Women in Group 3 outperformed other groups in the second year of the intervention even though incentives and additional support services were only available in the first year.
- Costs of the intervention:

- Total costs for services in the intervention was \$121,000 or about \$302 for each of the 400 participants in Group 2 and 3.
- Total cost for cash awards was \$146,000 or \$366 for each of the 400 participants in Group 2 and 3.

- ❖ Eric Hoover and Scott Carlson, “**Students on the Margins: For many low-income families, college is a question mark,**” The Chronicle of Higher Education (October 2017) FULL TEXT: <https://www.macalester.edu/academicprograms/wp-content/uploads/sites/77/2017/10/StudentsontheMargins.pdf>

This human-interest piece explores the challenges low-income students face as they apply, navigate and attempt to complete their postsecondary studies. Students in low-income high schools face a variety of systemic financial aid challenges including verification, incomplete financial aid awards and misaligned deadlines.

- The delay of financial aid award letters, which are often an incomplete picture of aid, dissuade students from deciding on which college to attend well past the national May 1st confirmation deadline.
 - Low-income students are traditionally locked into the most affordable option even if they have been admitted into more selective institutions.
 - Students who pay deposits in hopes of receiving more aid in the summer end up not attending when the institution does not provide enough aid for students to attend, contributing to national summer melt figures.
 - State aid forms for undocumented students have to be processed manually, making these students wait longer than average for state aid awards.
 - State awards to institutions for distribution can be a deterrent for students if those states award funds later in the Spring.
- The FAFSA is an obstacle for many students that have to provide additional information, especially for those that cannot use the IRS Data Retrieval tool and are more likely to be selected for verification.
 - Low-income students have to prove their low-income status through the FAFSA verification process.
 - State aid grants were not held for students flagged for verification. Once verification was completed, there were no remaining state aid grants for these students.
- Latinos, Native Americans and Blacks are more likely to opt for less-selective colleges and drop out before earning a credential compared to Whites and Asian populations even if they have similar grades and test scores.
 - Initial aspirations are similar but barriers and obstacles deter these populations from continuing with their initial plans.
 - College representatives visit low-income schools less often, and those that visit often promote professional programs. Liberal arts programs that promote graduate school are often missing links for low-income students, limiting their chances of entering graduate programs and career fields that could affect policy for their populations.

- In professional settings, networking opportunities for low-income students decrease as they forgo expensive social gatherings with colleagues and peers. Wealthier students depend less on money for professional experiences that will further their social networks and advancing “career funneling.”
- ❖ Luci Lapovsky, “**Rethinking Student Aid: Nontraditional Students**,” ed. Sandy Baum, Michael McPhearson and Patricia Steele. (New York: The College Board) (2008)
FULL TEXT (starting p. 141 of report or 147 of the PDF):
https://www.researchgate.net/profile/Sandy_Baum/publication/265183135_The_Effectiveness_of_Student_Aid_Policies/links/54748a5b0cf245eb436de4cd/The-Effectiveness-of-Student-Aid-Policies.pdf

This piece considers the definition of qualification for nontraditional students using both the federal financial aid systems definition and the National Center for Education Statistics definition. The author presents several issues with the federal methodology formulas and their imbalance when used on nontraditional students. Nontraditional students are affected by their full-time/part-time enrollment and work status.

- The federal financial aid system considers students independent if they are married, have dependents of their own, or are military veterans, orphans or wards of the court.
- Independent students, under federal financial aid policy, do not have to provide parent information; their own resources are considered their own and available for funding their education.
- Independent students demonstrate similar characteristics:
 - Enroll part-time
 - Delay postsecondary enrollment
 - Work more than 35 hours a week
 - More than half have children
 - Quarter are single parents
- Group defined as independent makes up about half of all undergraduates.
- Federal financial aid definition of nontraditional student is too narrow. The National Center for Education Statistics (NCES) has expanded definition to include:
 - Any student (regardless of age) with one or more of the following seven characteristics:
 - Delays enrollment; attends part-time; is financially independent; works full-time while enrolled, has dependents other than a spouse, is a single parent, did not obtain a standard high school diploma
 - NCES categorizes independent students as:
 - Minimally nontraditional: have one of the seven characteristics
 - Moderately nontraditional: have two or three of the seven characteristics
 - Highly nontraditional: have four or more of the seven characteristics
- Enrollment of adult students:
 - 71 percent enroll at for-profit four-year institutions

- 31 percent at public four-year institutions
- 38 percent at private four-year institutions
- 42 percent at public two-year institutions
- 84 percent of traditional-age students aspire to earn a bachelor's degree, while only 6% have no degree or certificate aspirations. Among adult students, fewer than half aspire to earn a bachelor's degree, and 20 percent who have no degree or certificate aspirations.
- Federal methodology used to allocate federal aid dollars was built for traditional dependent students and has been modified for independent students, creating challenges such as a disincentive to work and a needs analysis formula that leaves little room for living expenses.
- Working independent students may find themselves in a funding cycle where an independent student works to pay for school and living expenses but their earnings then disqualify them from federal aid.
- Would be constructive to consider ways of modifying needs-analysis system for independent students and to examine experimental financial aid programs for older students.