

Excelsior, New York State's "Free" College Scholarship

CHRISTIAN PIERCE

JUSTIN SIRACO

University at Buffalo

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JUSTIN SIRACO
University at Buffalo

This paper examines the New York State Excelsior Scholarship and the criteria that must be met for students to be eligible to receive it. The main focus of this examination is how this scholarship aims to address access issues faced by students from low income families and how the program can be improved to better address their needs. Comparisons are made between this Scholarship and others similar to it, namely the Georgia Hope Scholarship, the Indiana 21st Century Scholarship, and the Wisconsin Covenant. Recommendations for improving the Excelsior Scholarship are made based on research-based evidence on the successes and failures of the other scholarship programs, as well as potential barriers found within the Excelsior Scholarship itself.

Keywords: *Excelsior Scholarship, college access, financial aid, scholarship programs*

Strategies to subsidize higher education have varied greatly since the introduction of the federal Pell grant in 1965, but recently the burden of funding was transferred to state governments. Furthermore, as of the last two decades, there was a major shift towards focusing on merit-based aid, evidenced by a variety of state policies rewarding aid through scholarships (Long, 2010). During the period of 2000-2010, non-need based grant aid grew 203%, while need-based aid experienced a growth of 60% (Long, 2010). Non-need based aid refers to aid given to students based on academic merit and aid given to students who exceed certain income requirements. Need-based aid is reserved for individuals who fall under an income requirement, indicating that their family needs more assistance in paying for college. Georgia HOPE, which stands for Helping Outstanding Pupils Educationally, Wisconsin Covenant, and Indiana 21st Scholars all are models of merit-based aid initiated by their respective states. Each program displayed differing levels of success regarding academic outcomes and access, as well as providing valuable information on shaping current merit-based scholarships, such as the New York State Excelsior Scholarship.

Although not an exact replica of the three aforementioned programs, much of the Excelsior Scholarship is modeled off of these previous programs, despite evidence of their ineffectiveness in reaching desired outcomes. The most troubling aspects of Excelsior revolve around the complex stipulations required to retain the scholarship, as well as the demographic it targets. An investment in education is encouraging progress in the face of a troubling access problem, but as discussed in the following sections, research completed on similar policies indicates that non-need based aid has been ineffective in addressing the widening access gap between low-income and high income students. Without considerable adjustments, the Excelsior scholarship may also fail to reach its expected goals.

One of the most blatant issues facing the introduction of the Excelsior Scholarship is one that the scholarship fails to address. Access to higher education has been stifled by rising prices as well as insufficient funding for individuals of lower income families. The following section further examines the access issue and how it relates to the installation of the Excelsior Scholarship.

Access Issues in Higher Education

Since the first appearance of colleges and universities, many students have faced issues related to access to higher education. While many attempts have been made to reduce its effects, some of which will be discussed later, the problem still stands today. With historically soaring prices of attending colleges and universities, especially within the past few decades, the lowest income families are the most negatively influenced group. Only 52% of students coming from low-income families attend college compared to 82% of their high-income counterparts; already at a disadvantage when trying to enter higher education, they also face a lower graduation rate, even if they do gain entry: 59% compared to 89% of high-income students (Long, 2016). Students who come from lower-income backgrounds face a substantial gap in educational access, and this disadvantage follows them throughout their college careers.

There are many reasons as to why this gap exists, but one of the main reasons, and the point that this discussion centers around, is the cost of attendance. As of 2017, in New York State public universities have an average cost of about \$25,160 per year, broken down as follows: tuition (\$6,670); fees (\$1,640); room and board (\$12,810); books and supplies (\$1,340); personal expenses (\$1,590); and transportation (\$1,110) (SUNY, 2018). For many families, \$25,160 worth of expenses is not feasible. While there are forms of government aid and scholarships available that attempt to lessen the costs to the students and their families, many only address tuition. As previously stated, tuition only is \$6,670 of the total expenses, leaving the students responsible for taking care of \$18,490 left on their bill. For many, especially lower-income students, the remaining amount that they must contribute ultimately may be the deciding factor as to whether or not they attend college.

Access to higher education has been a growing issue coinciding with the rising cost of attendance at institutions across the country. It is an especially prevalent barrier to students coming from lower-income backgrounds who not only have a lower chance of attending higher education institutions but also have a lower success rate when it comes to completion. The Excelsior Scholarship aims to tackle a portion of this access issue through provisions of financial relief.

The Excelsior Scholarship

Given the rising cost of colleges and universities, students and families alike rejoiced when New York State Governor Andrew Cuomo introduced the Excelsior Scholarship, which was praised as a “first in the nation” program (Governor Andrew N. Cuomo, 2017). It was marketed as a “last dollar” tuition assistance program specifically aimed at middle class residents of New York State (NYS) that will cover the remaining costs of tuition after application of other forms of grants and aid. Students who come from families with a combined income of less than \$110,000 as of 2018 (\$125,000 in 2019) will be eligible to receive the scholarship worth up to \$5,500 (other forms of aid are expected to cover the remaining cost of tuition). Students must complete their Free Application for Federal Student Aid (FAFSA) forms in order to be considered for the Excelsior Scholarship program.

Along with the income requirements are a few more criteria that students must meet in order to be eligible for the award. Students must be residents of NYS for at least 12 months prior to use of the scholarship and attend either a State University of New York (SUNY) school, City Uni-

versity of New York (CUNY) school, or community college (which includes Cornell and Alfred University). Students also are required to be enrolled in at least 12 credit hours per term, which must add up to at least 30 credit hours over the academic year. The most interesting stipulation when accepting this award though is that a student who receives the Excelsior Scholarship must agree to stay in NYS for the same amount of time that they received the scholarship. If they choose not to, the scholarship turns into a no-interest loan. The state government's reasoning behind this is that it will be beneficial for both parties involved. Students receive high quality education at a reduced price while the government receives a return on their investment in the form of skilled labor (Excelsior Scholarship Program, 2018).

The Excelsior Scholarship has various similarities to previous merit-based aid programs, thus making it possible to approximate potential effects of the program. Many of the Excelsior stipulations are drawn from those in the Georgia HOPE Scholarship, Wisconsin Covenant, and Indiana 21st Century Scholars. While these programs have shared outcome goals to advance student achievement and access, there are differences, which will be explained in this paper.

Analysis of Scholarship Programs

To estimate the possible effects of the Excelsior Scholarship, we examined the Georgia HOPE Scholarship, the Wisconsin Covenant, and Indiana's 21st Century. Unlike the Excelsior Scholarship, these policies are early commitment programs that require a student to maintain certain criteria throughout high school in order to receive the scholarships. Yet, these scholarship programs relate to the Excelsior Scholarship in terms of stipulations necessary to maintain funding and in terms of the demographic of students the scholarships are accessible to.

The Georgia HOPE Scholarship is most similar to the Excelsior Scholarship, as obligations exist throughout college enrollment. Despite different requirements, the goals of all the scholarship programs are nearly identical. The Wisconsin Covenant policy, since discontinued, aimed to change expectations and perceived accessibility among high school students of all income levels (Birkeland & Arney, 2011). More specifically, it aspired to increase academic outcomes in high school and college, college enrollment rates for low-income students, and overall persistence in higher education for all students (Birkeland & Arney, 2011). Indiana's 21st Century is catered to low-income students, as it is designed to provide early academic intervention to low-income students and increase access to college for all students (St. John et al., 2004). The Georgia HOPE Scholarship is intended to achieve the stated goals of the other policies but is focused solely on increasing access and college enrollment among all students (Long, 2004). New York's Excelsior Scholarship is no different, as it intends to reduce financial burden, increase access for middle-income students, and promote on-time completion of undergraduate degrees.

The Wisconsin Covenant

Since the Wisconsin Covenant policy was an early commitment program, a high school student must have completed the following requirements to qualify: signed up for the program in 8th grade; attended a Wisconsin high school; maintained a 2.85 GPA throughout high school; applied for the FASFA; exclusively applied to public, private, and technical schools in Wisconsin; and

demonstrated satisfactory involvement in the community (Birkeland & Arney, 2011). Fulfillment of these requirements guaranteed students a spot in a Wisconsin higher education institution. The financial package students received was allocated based on their family's federally defined income. Unlike HOPE, 21st Century Scholars, and the Excelsior Scholarship, this program did not assure full coverage of tuition and fees.

Results. Four years after the program was implemented, Birkeland and Arney (2011) examined demographic statistics of those participating in the Wisconsin Covenant. Student participation rates in the Wisconsin Covenant were found to be lower in smaller schools, schools that are more racially diverse, and schools where larger numbers of students qualified for free lunch. The authors attributed a low participation rate in these demographics to more stringent GPA requirements and insufficient awareness of the short enrollment period. Although these participation effects were found in Wisconsin high school students, similar consequences could occur with the Excelsior Scholarship considering the high college GPA requirement of 3.0 and insufficient promotion of the program. Additionally, the authors suggested that the Wisconsin Covenant would fail to close the minority gap and could even adversely affect low-income students financially—an effect later found in Georgia HOPE. One of the most pressing issues found with the Wisconsin Covenant Scholarship centered around financial benefits of this program being distributed to infra-marginal students who most likely would have attended college regardless (Birkeland & Arney, 2011). These concerns are nearly identical to the ones associated with the Excelsior Scholarship. The Wisconsin Covenant thus is a useful case-study for programs like the Excelsior Scholarship, as it contained flawed stipulations found in Excelsior.

Indiana's 21st Century Scholars

The qualifications for becoming an Indiana 21st Century Scholar are as follows: enrollment in 7th or 8th grade; attaining a 2.0 GPA upon graduation of high school; application to Indiana higher education institutions; application for financial aid; and enrollment in college within two years of graduating high school. Full tuition and fees to any of Indiana's public universities are offered to students who meet these requirements, with similar compensation of public tuition being awarded at private schools. The program also provides retaining strategies that include tutoring, college visits, mentoring, access to information, and assistance in acquiring college prep curriculum. There are no stipulations for this scholarship that require students to reach certain standards upon graduation (St. John et al., 2004).

Results. St. John et al. (2004) found that students that enrolled in the Scholars program already were more likely to enroll in college, while those who enrolled in the program from high poverty schools were less likely to have college aspirations. A parallel can be made to a potential outcome of the Excelsior Scholarship, as students who receive the scholarship already were likely to enroll in college, creating concern as to whether the scholarship will address the access problem, even for middle-income students. The likelihood of college enrollment for students of high poverty schools increased 5.34 times when becoming an affirmed scholar; however, this result was not limited only to the high poverty schools, as the entire sample was found 4.77 times more likely to enroll

in college when enrolled in the program (St. John et al., 2004). Preparatory work, mentors, and encouragement regarding college attainment were found to have significant, positive effects on both enrollment and aspirations for college (St. John et al., 2004). Although the positive effects were found for high school students, the successful aspects of this program eventually could be applied to the Excelsior Scholarship to bolster on-time completion.

Georgia HOPE Scholarship

A Georgia HOPE recipient must achieve a B grade point average in high school, graduate from a Georgia HOPE eligible school, complete HOPE-specific academic curriculum, and attend either a Georgia private or public school (Long, 2010). At public universities, a HOPE recipient receives full tuition and fees, plus a book allowance. HOPE recipients of private universities receive similar compensation to what would be awarded if they attended a public school (Long, 2010). This program is similar to the Excelsior Scholarship in terms of the academic stipulations necessary to maintain the scholarship. Georgia HOPE recipients are required to achieve a 3.0 GPA by the end of every spring semester, as well as complete 30 credit hours every full academic year (Long, 2010).

Results. Research found that total enrollment in Georgia universities among all 18-19-year-old students increased from 7.0 percentage points to 7.9 percentage points (Dynarski, 2000). Georgia HOPE's main aspiration was to increase college enrollment rates in-state; thus, marginal success can be inferred. However, statistics relative to demographics are far more concerning. Georgia's White high school students experienced a 12.3%-point rise in attendance, while attendance rates of Black students were entirely unaffected in response to the HOPE Scholarship (Dynarski, 2000). Furthermore, an 11.4 percentage point rise was found in attendance of upper-income students, as opposed to low-income students, whose attendance rates were unaffected by the policy (Dynarski, 2000). Georgia's HOPE Scholarship did not explicitly target low-income students, but it was expected to increase access to higher education; it is clear that this is a shortcoming of this program. A similar issue potentially could be found in the Excelsior Scholarship, as it is targeting the incorrect demographic of students: one that is already more likely to enroll in college.

Research on both the Wisconsin Covenant and the Georgia HOPE Scholarship finds that benefits are being devoted toward students who would attend college anyway and that there was inadequate promotion of the programs. These findings are the most prominent issues that may be observed after the Excelsior Scholarship is released. However, extra resources provided to scholarship students within the Indiana 21st Scholars program demonstrate that success can be obtained with merit-based programs. Although the Excelsior Scholarship does not administer these additional resources, it is a provision that could further improve the effectiveness of the scholarship. The aforementioned programs and the Excelsior Scholarship share similar issues whose impacts will be further examined.

Problems with the Excelsior Scholarship

The Excelsior Scholarship is a movement in the right direction toward lessening access issues in higher education. Still there are some flaws pertaining to access issues faced by low income

students that need to be addressed if the program is to operate at an optimal level. These issues begin at the very first step of the application process: Filling out FAFSA forms. Students coming from lower income backgrounds already are placed at a disadvantage because of issues that arise when completing FAFSA forms. Nearly 20% of undergraduate students fail to apply for aid such as FAFSA, of which 44% claim they did not think they were eligible, and many were unaware of what financial aid even was (Cook, 2016). A large portion of low income students most likely do not attempt to attend college out of fear of costs (Cook, 2016). Obviously, if students already do not fill out FAFSA forms, especially low-income students, then they automatically will be ineligible for the Excelsior Scholarship.

Even if these low-income students do fill out their FAFSA forms, a large amount will not feel any of the benefits of the scholarship. Within the City University of New York system, 66% of the student population already goes to these institutions tuition free (due to FAFSA and NYS Tuition Assistance Program) with a large majority of them coming from families with combined incomes of less than \$33,000 (Burdick, 2017). Given the “last dollar” nature of the scholarship, these students never will receive any funds from the scholarship.

The fact that this scholarship *only* covers tuition exposes one of the larger problems surrounding the access issue with low-income students. If the scholarship and aid cover the complete cost of a SUNY schools tuition, \$6,670, that still leaves the remaining cost of \$18,490 resting on the shoulders of students and their families. If a student already is in need of assistance to pay for their \$6,670 tuition bill, they are unlikely to be able to afford \$18,490 to cover room and board, fees, and books.

Some of the requirements may be restricting and difficult to meet as well. The stipulation that students must stay in state after graduation for the same amount of time as they received the scholarship may limit their job market prospects, and many may end up leaving the state anyway just to find a job, which then places the burden of tuition back onto the students in the form of loans. Second, the requirement that students take 30 credits a year, which assumes a student will graduate in four years exactly, may not be a realistic expectation for some students. Given that only 60% of students graduate within 6 years nationally, and only 30-33% graduate within 5 years at CUNY schools, it is unlikely that many students will be able to complete this requirement (Burdick, 2017).

The Excelsior Scholarship still misses the mark when addressing the access issues faced by low-income students. It only covers tuition which leaves a large portion of the costs of attendance resting on the shoulders of the students and at points can hold them to unreachably high standards in terms of credits and coursework. While the intentions of the scholarship are positive, there is still the possibility for improvement which can be aided by adopting features of other similar programs, as well as adapting to fit present needs.

Policy Recommendations

It may be premature to make policy recommendations for a program that was introduced less than a year ago, but it is apparent that critical adjustments need to be made in order for the scholarship to succeed. Learning and adapting to successful aspects of Georgia HOPE, Indiana’s 21st Century Scholars, and the Wisconsin Covenant would be a start. What made Indiana’s policy so effective seemed to be the assistance provided throughout enrollment of the program. Although this

assistance was administered during the high school years, a similar track could be created for Excelsior college students. Devoting resources that extend past financial aid could lead to greater rates of on-time completion.

One considerable deficiency of the Wisconsin Covenant was the low participation rate among low-income students (Birkeland & Arney, 2011). Lack of awareness can be contributed to this issue, as well as a complicated application process. For those who have trouble filling out the FAFSA and New York State Tuition Assistance Program (TAP) applications, the Excelsior Scholarship is just one more obstacle in applying to college. Tweaking the Excelsior Scholarship to provide extra resources throughout college enrollment, enhancing promotion of the scholarship, and simplifying the application process may make it a more effective policy.

To be fair, the Excelsior Scholarship never claimed to attempt to help low-income students. It was made very clear that this was a middle-class scholarship. The scholarship as of right now favors those with incomes between \$80,000 and \$125,000, given those above will not qualify and those below will have the cost of tuition supplied by other forms of aid (Lobosco, 2017). That being said, it does fail to address the larger issue pertaining to access that low-income students have to higher education. The largest majority of costs incurred by students are those of room and board, fees, and books, so a possible adjustment to the scholarship could be to extend coverage of costs to these areas for those who are low income or are in extreme financial need. An easier adjustment would be to extend or shift the qualifying income. A lower qualifying income would allow students coming from lower-income backgrounds to benefit from the program, although issues with funding could arise if an increased number of students were to use the program. By making these changes, the effects of the program would be shifted to lower-income students.

Decreasing the minimum workload for an academic year to one that follows the more traditional 4-plus year graduation rates (average of 5.2 academic years to receive bachelor's degree) would be beneficial in helping students have continued success throughout college and have the ability to receive the scholarship for the entire time they are attending school (National Student Clearinghouse, 2016). Another important area that would need to be addressed, as previously stated, is simplifying the application process. Given that low income students have a decreased chance of filling out FAFSA forms, they also have a lower chance of being eligible for Excelsior. It would be beneficial to allocate some of the funds toward increasing the ease of filling out FAFSA and increasing awareness of aid that is available to low income students. This would allow students, who would not otherwise be in consideration for the scholarship, to become eligible and also would open the doors for them to receive other forms of aid.

Given that there are other programs similar to the Excelsior Scholarship, it may be beneficial to learn from these and adapt to ensure success and avoid the deficiencies that they faced. If New York State lawmakers choose to shift toward low income assistance rather than middle income, there are adjustments that can be made pertaining to income qualifications and areas of coverage. The Excelsior Scholarship is a step in the right direction, but given the relative newness of the program, the outcomes have yet to be seen.

Conclusion

While the Excelsior Scholarship is far from perfect, any attempt to lessen the financial burden of obtaining higher education is a step in the right direction. While it is making strides in helping college become more affordable for the middle class, it is missing the huge access problem faced by low-income students. The program could learn from the successes and failures of programs such as the Georgia Hope Scholarship, the Indiana 21st Century Scholarship, and the Wisconsin Covenant. With the many barriers that low income students face, it may be beneficial for Excelsior to adjust some of its requirements to better fit the needs of this group. Nonetheless, it is early in the life of the Excelsior Scholarship, and it has yet to be seen what kind of lasting effects it has on access and success of students throughout college. As more data emerge on these effects, hopefully the scholarship will be able to adjust in order to be the most effective it can be.

CHRISTIAN PIERCE, BA, is a Master's student at The State University of New York at Buffalo (UB) in the Economics and Education Policy Analysis Program. He also received his Bachelor's degree in Economics and Political Science from UB. Christian currently is working as a data analyst for the FAFSA Completion Project. His research interests include the effect of financial aid and scholarships on student achievement and completion in higher education.

JUSTIN SIRACO, BA, is a Master's student at The State University of New York at Buffalo in the Economics and Education Policy Analysis Program. He received his Bachelor's degree in Economics at The State University of New York at Geneseo. Justin currently is interning at SUNY Buffalo's Office of Institutional Research. His research interests include postsecondary student outcomes in relation to student assistance programs.

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