REDESIGNING STATE FINANCIAL AID:
Principles to guide state aid policymaking

Sarah Pingel and Brian A. Sponsler
April 2015
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About the Partner Organizations

Support for this paper and this initiative was provided by USA Funds, a nonprofit corporation that supports Completion With a Purpose, building a more purposeful path for America’s students to and through college and on to rewarding careers and successful lives. USA Funds pursues its nonprofit mission through philanthropic activities and partnerships, policy research, and programs and services that enhance preparation for, access to and success in higher education. Learn more at www.usafunds.org.

Education Commission of the States was created by states, for states, in 1965. Education Commission of the States tracks state policy trends, translates academic research, provides unbiased advice and creates opportunities for state leaders to learn from one another.

About the State Financial Aid Redesign Project

A college education is more important than ever. And yet students are facing unprecedented challenges in financing the cost of completing a meaningful degree or postsecondary credential. Education Commission of the States, in partnership with USA Funds, is addressing this challenge in part through a two-year project focused on state financial aid programs. In addition to the present brief, a 50-state database of financial aid policies will be released in early summer, and ECS will facilitate targeted technical assistance to states addressing aid redesign over the course of the 2016 legislative sessions. For more information on this project, please visit www.StateFinancialAidRedesign.org.

The authors would like to thank USA Funds for their support of this paper and ongoing work with state financial aid programs. They would also like to thank each of the experts convened as part of the Education Commission of the States’ State Financial Aid Redesign Thinkers’ Meeting, who provided valuable expertise and feedback on this brief.

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Paying for college is difficult for many individuals and families. College prices continue on an upward trend, wages and earnings for many families have been flat or only have shown marginal growth over the past several decades, and concerns about student indebtedness are on the rise. Taken together, these factors create a challenging environment for individuals seeking financial support to complete a postsecondary degree program.

In recognition of the challenges of paying for higher education, decision-makers at the federal and state levels support college-going with public policy. Through direct institutional allocations, need and merit-based financial aid programs, and the provision of student loans, government policy has provided access to funds to reduce the price of participating in postsecondary education for many individuals. This is particularly true at the state level.

States have a long history of making investments in individuals seeking postsecondary education and workforce training. Before the federal government created broadly accessible financial aid programs through the passage of the Higher Education Act in 1965, several states had already begun funding aid for college students. Two original state aid programs are still in operation – California’s Cal Grant (1955) and Illinois’ Monetary Award Program (1958). Spurred in part by a federal matching incentive, a wave of state programs were developed throughout the 1960s and 1970s, including 20 states that are still awarding aid to students today.

Continuing the historical legacy of state financial aid, in 2013 state financial aid programs collectively invested more than $11 billion in students, providing a significant financial benefit for individuals, institutions and, ultimately, state economies. For example, in 2012, state aid covered 16% percent of tuition and fee expenses at four-year public research institutions. This aid adds to the power of federal, institutional and student resources in helping to meet the cost of attaining a degree or credential.

The benefit of state aid for students

| 2012 | Average public 4-year tuition and fees: $8,796 | Average state grant aid per student $1,420 |
A function of their design and history, state financial aid programs tend to primarily serve students following what is often labeled a “traditional” postsecondary pathway: matriculating directly into a two- or four-year degree program in the fall following high school graduation. These students are more likely than their peers to attend credit-hour based postsecondary programs, pursue their education on a full-time enrollment basis and complete their program on time. Education Commission of the States research indicates that many of the largest aid programs in the states are explicitly designed to serve students following this traditional pathway. For example, among the 100 largest state-funded financial aid programs in the country:

- Twenty-nine programs will only fund students who enroll full time.
- Forty-three define the duration of the award by a set number of terms or years, as opposed to anchoring eligibility to the length of time needed to complete a program at varying enrollment intensities.
- Thirty-three programs link aid eligibility to college entrance exams like the SAT or ACT or a high school grade point average — traditional college readiness measures that are of little relevance for adults returning to higher education after time in the workforce.

A focus on traditional pathways into and through higher education remains appropriate for a notable segment of today’s college-going population. However, as students increasingly are drawn from populations likely to be older, more diverse and further removed from secondary completion, it is critical that state financial aid programs work for this new majority of college students as well.

A focus on the students whom aid is designed to support is a central tenet of aid redesign efforts. In addition to changing demographics, the nature of the relationship between higher education and state policymakers also has shifted over time. First, state leaders are focusing on higher education not only as a vehicle for individual socioeconomic mobility, but also as a driver of state economic growth. Second, policymakers are holding institutions increasingly accountable for outcomes prescribed by states — be those educational or economic. For example, the proliferation of performance-based funding policies has explicitly tied state support to state-defined metrics such as degree completion and student persistence.

Education Commission of the States believes changing student demographics and shifting expectations for higher education creates fertile ground for states to redesign and re-conceptualize financial aid programs. To advance this premise and support a state-based conversation focused on aid redesign, Education Commission of the States facilitated a meeting of state financial aid experts and challenged them to take a clean sheet approach to rethinking approaches to state financial aid that would best align to the needs of students and support state education goals. The group of experts proposed and debated perspectives on program redesigns that were both incremental and fundamental. After an iterative process, consensus emerged on a set of principles that optimistically seek to frame and advance state aid redesign conversations.

In 2013, total state aid expenditures reached nearly $11.23 billion and supported 4.5 million students.6

|$11,226,019,552 | 4,502,171 |

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The pages that follow present four principles of financial aid redesign that emerged from the ECS-led thinkers’ meeting. Principles are offered as guideposts for state policy leaders and other interested parties as they seek to adjust, modify or in some cases make wholesale changes to state financial aid policies and programs.

Redesign principles fall into four inter-related areas:

**Principle 1: Financial aid programs should be student centered.**

- Aid programs designed around students and their needs set students up for successful outcomes.

**Principle 2: Financial aid programs should be goal driven and data informed.**

- Aid programs should have a clearly defined and easily understood intent aligned with measurable state education and workforce goals.

**Principle 3: Financial aid programs should be timely and flexible.**

- Aid programs should provide financial support to students when it can have the greatest impact on enrollment and persistence decisions.

**Principle 4: Financial aid programs should be broadly inclusive of all students’ educational pathways.**

- Aid programs need to respond to the diverse enrollment options available to students.

The policy environments within which state leaders will consider these principles are as diverse as the pathways students may take into and successfully through higher education. Yet it is our contention that while the specifics may differ, all state leaders are facing the necessity of finding more effective methods for providing financial support to individuals seeking the skills and knowledge necessary to lead productive lives in the 21st century. As leaders wrestle with decisions and policy options, we encourage them to utilize the collective and individual thinking of some of the nation’s foremost experts on student aid as reflected in this brief.

Moving forward, this brief presents and discusses each principle and related considerations. Although each principle is discussed in isolation, we recognize that they overlap and intersect in important ways. A “Principle in Practice” box highlights top-line considerations for those seeking a general overview of the ideas under discussion. In each section a “Principle in Policy” box highlights states’ actions or policy proposals that reflect the principle under discussion.

This brief is a call to action for state policymakers to be intentional about leading a redesign of state aid that results in greater access and success for today’s college students — a necessary precursor to achieving state attainment and workforce goals.

“A function of their design and history, state financial aid programs tend to primarily serve students following what is often labeled a “traditional” postsecondary pathway: matriculating directly into a two- or four-year degree program in the fall following high school graduation.”
In designing state-funded aid programs, states’ focus should be on students. This principle calls for program design decisions predicated by how states can utilize financial aid programs to support student access and success first, rather than employing student aid as a conduit for institutional support. This has specific implications for how funding flows from the state to institutions, as well as student application and awarding processes.

A student-centered approach to aid begins with how funds flow from states to institutions. Channeling state financial aid dollars based on an institutional allocation method frames state aid as an institutional benefit rather than a direct benefit to students. Through a “campus-based” program model, institutions generally have a significant role in defining eligibility requirements and prioritizing students for awards, while the state may prescribe several overarching directives for institutions in statute or regulation. Forfeiting direct oversight means that the state’s investments in financial aid may be overshadowed by institutional priorities rather than state goals.

Under the campus-based model, states may also lack information about how state aid dollars interact with institutional aid in the aid packaging process. Additionally, campus-based aid is not portable from institution to institution — meaning that a student may receive different amounts of state aid depending upon the institution preparing the aid package. When states place institutions in a position to manipulate net price through campus-based programs without clear state goals, they delegate the authority to define which students deserve state support to institutional aid administrators; actors that may or may not have alignment with state education goals.

Re-envisioning state aid as a student benefit rather than institutional benefit necessitates redesigns of aid application cycles. Currently, the process of identifying eligible students for state aid often begins when a student is admitted to a postsecondary institution. However, other behaviors or data sources can assist states in identifying students likely to benefit from state financial aid without requiring an express intent to enroll. In many states, eligibility information can be obtained through state income tax

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**Principle 1: Student centered**

Financial aid programs should be student centered: Aid programs designed around students and their needs set students up for successful outcomes.
data or state longitudinal data systems. Participation in state workforce programs or public assistance programs also may serve as meaningful proxies for state aid eligibility. These options allow states to proactively notify students of their eligibility for funds, regardless of any previously expressed intent to seek postsecondary enrollment. Leveraging new sources of data to identify eligible aid recipients streamlines application processes that pose barriers for students and decouples application deadlines from revolving around a traditional fall semester start date. State aid is subsequently positioned to reduce affordability barriers and encourage targeted students to enroll or re-enroll in postsecondary education.

Key components of financial aid redesign include refocusing state financial aid programs on student needs. Defining students as the primary beneficiaries of state financial aid allows for alignment of state goals and institutional practice to best serve students. A clear definition of the state goals for the program is critically important to a student-centered approach to state financial aid, as is a detailed understanding of how data can inform and direct goal development and monitor progress toward desired outcomes.

Principle in Practice

Student-centered financial aid programs:

- Support students first, not institutions.
- Proactively notify eligible aid recipients.

Principle in Policy

Proactive recipient identification in California

One of the oldest state financial aid programs, the Cal Grant program, is California’s main need-based aid program. Assembly Bill 2160, signed into law in 2014, requires high schools to electronically send student grade point averages at the end of the junior year to the California Student Aid Commission (CSAC). This information enables the commission to match student GPAs with financial need information from the Free Application for Federal Student Aid (FAFSA). These two data points provide CSAC with all of the information needed to determine Cal Grant eligibility without requiring students to supply information beyond the FAFSA.

Through re-thinking the channels by which CSAC could receive Cal Grant eligibility information, this policy enables early and proactive identification of Cal Grant eligible students. Armed with this knowledge, students are empowered to make more informed postsecondary application and enrollment decisions.

Defining students as the primary beneficiaries of state financial aid allows for alignment of state goals and institutional practice to best serve students.
Principle 2: Goal driven, data informed

Financial aid programs should be goal driven and data informed: Aid programs should have a clearly defined and easily understood intent aligned with measurable state education and workforce goals.

Goal setting and effective use of data to monitor progress toward stated goals is an integral principle of state financial aid reform. Goals for state financial aid programs are intended to inform the direction of statewide aid policy development, adoption and change. A clear state goal creates common ground and presents an opportunity for state leaders to set the stage for institutional and student actions.

Drafting a strategic goal for financial aid programs should involve the input of a variety of stakeholders, such as state legislators, representatives from higher education governing bodies, institutional administrators, higher education researchers and diverse student perspectives. A review of policies in light of statewide postsecondary enrollment trends, statewide demography and workforce needs may yield important opportunities to realign policy. As states conduct this type of analysis, it is imperative that strong leadership emerges from offices responsible for higher education, the legislative branch and governor’s offices.

Goals for state financial aid programs should consider all state aid programs aimed at postsecondary student enrollment and success. A global view of funding streams dedicated more broadly to education or workforce preparation, whether through a postsecondary aid program, funding for returning military veterans or workforce investment programs, reveals the variety of ways in which states provide funding for postsecondary students. Looking at these funding streams holistically may enhance their overall coordination. Additionally, organizing the efforts of segmented state programs that target similar populations of potential postsecondary students may improve the student application process and increase awareness of aid availability.

State data systems can assist in monitoring progress toward established goals. In crafting data systems that can assist in monitoring progress toward goals, states should give particular consideration to institutions in two specific ways.

First, states will need institutions to provide data for all students as well as disaggregated data for financial aid recipients. Monitoring and analyzing access, persistence or completion metrics for state aid recipients serves as an important accountability feedback to
states. Leveraging existing data sources to monitor progress is essential; however, setting innovative goals also may call for states and institutions to collect and track new types of data. In this way, the process of setting goals also may create the opportunity for states to push for new or innovative ways to measure student progress and success.

Second, states should employ data to ensure a baseline-level of institutional quality and accountability. Analyzing data by institution can identify the pathways that most contribute to state goals and may assist states in defining where students can use their state aid dollars. In setting institutional participation standards, states have the opportunity to define benchmarks for institutions to meet, such as access indicators for underserved populations, persistence rates or completion targets. They also may incorporate post-graduation measures such as sector employment and wages, graduate school enrollment or student loan default rates. In Minnesota, for example, data drove the development of a proposed institutional eligibility framework for state financial aid. Each state’s eligibility metrics will likely vary for a local context, but every state should seek to ensure that institutions receiving state aid dollars are meeting specified performance targets, serving students, and contributing toward state interests and objectives. More information about Minnesota’s approach is detailed in the Principle in Policy sidebar.

Finally, progress toward goals should be monitored through intermediate milestones. Recognizing that reaching goals takes time, identifying progress or momentum points will provide valuable opportunities to identify problems early and make mid-course corrections. Policy change is an inherently iterative process; missteps and misalignments between student needs and policy design should be expected and addressed as soon as possible. Policy should be nimble and flexible to allow for these realignments. Additionally, monitoring progress allows for celebration and public recognition of policy success; something done all too infrequently in our estimation.

Defining strategic goals and directions for state financial aid programs not only makes clear what ends states will achieve through investments in state aid, it also entails a call for effective data systems and analysis. Together with a student-centered approach to aid, designing state aid programs around goals concentrates state aid policy on how to best respond to the needs of students and states. Additional opportunities to redesign state financial aid policy rely on principles of timeliness, flexibility and inclusivity.

### Principle in Practice

**Goal-driven, data-informed financial aid programs:**

- Seek broad input and support in crafting goals for state aid programs from key constituents, including institutions, students, business leaders and policymakers.
- Take a holistic view of all funding sources designed for workforce preparation.
- Hold institutions accountable to maintain eligibility for state aid dollars.
- Make explicit links to data systems and commit to monitor milestones.

### Principle in Policy

**Using data to monitor goals and institutional eligibility in Minnesota**

Minnesota Statute 136A.095 establishes that the goal of state-funded financial aid is to encourage educational development among economically disadvantaged students in eligible institutions. To this end, S.F. 1236, passed in 2013, called upon the state’s Office of Higher Education (OHE) to employ data to specify an updated institutional eligibility framework.

In response to the legislative mandate, OHE issued two reports detailing existing criteria that institutions must meet, new metrics that may be considered, the limitations of the metrics and possible implementation steps for the future. Current institutional eligibility criteria specify that institutions must be located in Minnesota, governed by a specific state board, eligible to participate in federal student aid programs and offer academic programs leading to certificates or degrees of a specified length. The reports explore the opportunities and challenges present in expanding the institutional participation framework to include data points such as enrollment of key populations, student debt, persistence, time to degree, completion, employment and return on investment data.
Many states employ explicit time structures and deadlines as a means to project budgetary needs and streamline administration. However, structuring programs around the passage of time has consequences such as limiting the program’s reach into nontraditional student populations and new postsecondary delivery models. Time currently dominates the eligibility equation for state aid in several ways: the initial eligibility determination and subsequent awarding process, the duration of a state financial aid award and the required schedule for drawing down disbursements of state aid.

In many two- and four-year programs across the states, students can make enrollment decisions within a matter of weeks of beginning coursework. For example, institutions utilizing modular course scheduling offer the opportunity for students to begin their program at many points throughout the year. For institutions offering courses on academic terms such as semesters or quarters, students can be admitted and choose to enroll within a short time of beginning classes. While these students may meet the established eligibility criteria for state aid, they likely will not receive funding after a state’s priority filing deadline has passed. In this case, the time that a student’s enrollment decision is made is the deciding factor for funding eligibility. However, rather than framing time as a penalty for students to avoid, states can approach the timing of aid awards and disbursements as a lever to influence student enrollment and persistence decisions.

Generally, many students will not know what types of financial aid they are eligible to receive until they have received a financial aid award letter from the institution or institutions that have accepted their admission application. However, states have the opportunity to join the affordability conversation much sooner. The optimum time to make awards varies by student population but, in general, promises of aid should be made as early as possible, even before a student chooses to enroll.

For students matriculating directly from high school, early commitment scholarship programs set the expectation that state support for higher education will be available during a student’s K-12 enrollment. This promise is intended to alleviate college affordability concerns at a key time when students still have the opportunity to translate college aspirations into college readiness. A Principle

**Principle 3: Timely and flexible**

*Financial aid programs should be timely and flexible:* Aid programs should provide financial support to students when it can have the greatest impact on enrollment and persistence decisions.
in Policy box features an approach to early award notification in Oklahoma, where students have the opportunity to apply for state financial aid as early as eighth grade.

For adult students enrolling in degree programs or seeking new job-specific skills later in life, time between the decision to pursue postsecondary education and the start of the academic term or module course is usually limited. To appropriately address the variability in the timing of adult student enrollments, states need to be intentional to not commit all available aid funds by a deadline set early in the calendar year; doing so may leave little money on the table for students who seek aid later. In Oregon, for example (see sidebar), a proposed policy seeks to move away from a first-come, first-served approach to financial aid in favor of focusing on specific eligibility criteria to drive recipient selection.

Finally, once a student is awarded financial aid, the award amounts are often tied to traditional academic terms such as semesters or quarters, generally dividing funds over each term while excluding the summer. This practice synchronizes aid disbursements with traditional models of student enrollment and may limit student access to attend year-round. As a consequence, students may not be able to access aid dollars for the summer term. However, granting students the flexibility to re-align their financial aid eligibility to alternative enrollment patterns ensures that students will be able to access aid when they are ready to enroll, as opposed to waiting for financial aid eligibility to renew in a subsequent term or school year. Eliminating the need for students to wait for financial aid to renew in a new school year means that students can complete requirements faster, gaining traction toward the graduation podium.

Redesigning state aid to leverage timing, both in terms of establishing initial student eligibility and awarding processes, provides opportunities for states to use financial aid as a tool to impact student enrollment decisions. State budget cycles and the need to accurately predict funding levels in advance are challenges that states will face in this effort. However, policy examples from Oregon and Oklahoma serve as examples of thoughtful ways to rethink timing to better serve students. State financial aid programs also may be redesigned to respond to the variety of educational pathways available to students today by becoming more broadly inclusive.

**Principle in Practice**

**Timely and flexible financial aid programs:**

- Avoid exhausting funds based on deadlines.
- Award financial aid as early as possible.
- Decouple award schedules from calendar or academic years.

**Principle in Policy**

**Making early promises in Oklahoma**

Created through the Oklahoma Higher Learning Access Act in 1992, the Oklahoma’s Promise program provided more than $60 million in assistance to Oklahoma students in 2013. The program establishes a student’s state aid eligibility in eighth, ninth or 10th grade. Students who meet income criteria, complete a specific sequence of high school courses with a minimum GPA and complete other requirements earn free tuition at a public two- or four-year institution in the state through the program.

**Principle in Policy**

**Rethinking deadlines in Oregon**

Similar to many other states, the demand for state aid dollars outpaces the fiscal capacity of the program. Historically, students qualifying for Oregon Opportunity Grants have been prioritized by the date that their FAFSA is complete, with funds generally exhausted in February or March of each year.

Through a new proposal under consideration in the 2015 legislative session, H.B. 2407, the Office of Student Access and Completion would have the latitude to draft new rules that would prioritize students based on financial need throughout the year rather than exhausting all program funds at once. This new approach may open access for students whose enrollment plans change mid-year.
Students enrolling in postsecondary education have a broad array of enrollment options available to them. Under current policy, state aid generally privileges full-time enrollment in two- and four-year degree-seeking programs. Full-time enrollment in traditional programs works well for many students, but not for all. As the variety of educational delivery models and enrollment options available to students diversifies, aid programs should adapt to allow for students to select options best designed to meet their needs. Practical applications of this redesign principle may include allowing aid programs to serve students enrolled in competency-based or prior learning-based programs and allowing students to mix full- and part-time enrollment as a strategy to persist to program completion.

Although state financial aid programs need to measure progress to pace individual disbursements, the credit hour is no longer the only means available to students to complete the requirements for their degree or credential program. Despite this, the credit hour is a mainstay for measuring academic progress in state aid programs. States must appropriately take steps to ensure institutional and program quality, however, taking an expanded view of progress toward a credential would allow states and students the flexibility to fund competency-based programs, prior learning assessments and online course delivery — in addition to programs based on the credit hour. Granting greater flexibility to students to access state aid for a variety of delivery models means that aid no longer pays purely for credit accumulation, but more broadly for learning and progress toward a postsecondary credential.

Aid delivery should also be flexible to allow for a variety of enrollment intensities and patterns. Emerging data show that students returning to college who mix full-time and part-time enrollment may ultimately be more likely to complete their postsecondary credential. However, current aid delivery models may deny aid from otherwise eligible students who opt to enroll part time for all or part of the year. Encouraging full-time enrollment is appropriate under many circumstances. However, it should not be done at the expense of aid eligibility for part-time students who are being intentional about their enrollment choices. Limiting aid exclusively to full-time enrollment has consequences for students facing course availability limitations or work and family

Principle 4: Broadly inclusive

Financial aid programs should be broadly inclusive of all students’ educational pathways: Aid programs need to respond to the diverse enrollment options available to students.
commitments. Including part-time and full-time students in financial aid program allows students the flexibility to synchronize the pace of their aid with the pace of their academic program when full-time enrollment is not an option.

State financial aid should not privilege certain postsecondary delivery models or enrollment intensities; rather, it should be adaptable and broadly inclusive. Funding progress toward a credential earned through competency-based degrees, prior learning assessments and credit-based programs aligns state aid with the broad variety of delivery models currently available to students. In this same vein, encouraging full-time enrollment is still possible while preserving eligibility for part-time students who do not have the option to enroll full time or who wish to enroll year round.

Principle in Practice

Broadly inclusive financial aid programs:
- Do not limit aid eligibility exclusively to academic programs measured by credit hours.
- Allow for full- and part-time student enrollment.
- Fund student progress when it occurs.

Principle in Policy

Flexibility for full- and part-time enrollment in Illinois

Students funded through the Illinois Monetary Assistance Program (MAP) have the flexibility to align aid disbursements with their unique enrollment patterns. The program measures progress through credit hours, allowing students to fund as few as three in any one term. The award amount is pro-rated based on the number of credit hours in which a student enrolls. The flexibility is matched with accountability; if students do not obtain junior or senior standing by the time 75 credits are funded, MAP eligibility is rescinded.

“As the variety of educational delivery models and enrollment options available to students diversifies, aid programs should adapt to allow for students to select options best designed to meet their needs.”
Concluding Thoughts

Education Commission of the States, in consultation with leading experts on state-funded aid, find that state financial aid programs can be redesigned to respond to the contemporary needs of students and states. Much has changed since many state aid programs were conceived, including the students served by higher education, how they are served and what states expect from their investments in postsecondary students.

In this paper, we have advanced four principles for state aid redesign that seek to guide state aid policy formation:

**Principle 1: Financial aid programs should be student centered.**
- Aid programs designed around students and their needs set students up for successful outcomes.

**Principle 2: Financial aid programs should be goal driven and data informed.**
- Aid programs should have a clearly defined and easily understood intent aligned with measurable state education and workforce goals.

**Principle 3: Financial aid programs should be timely and flexible.**
- Aid programs should provide financial support to students when it can have the greatest impact on enrollment and persistence decisions.

**Principle 4: Financial aid programs should be broadly inclusive of all students’ educational pathways.**
- Aid programs need to respond to the diverse enrollment options available to students.

Separately, each of the principles addresses a specific area for states to make incremental policy change. Taken together, they provide the opportunity for states to make fundamental shifts in how state financial aid programs are designed and awarded. A unified policy consistent with all four redesign principles employs state financial aid as a tool to serve state goals and student needs. Depending on the specific state context, integrating the four principles could take the shape of a variety of policy options, such as investing in early financial aid savings accounts, devising a system of student vouchers for higher education expenses or redesigning an existing grant program.

Finally, states have much to gain by realigning existing investments in state-funded financial aid to current student and state needs. Financial aid programs have the potential to transform the student experience in higher education and the outcomes that states seek from a credentialed workforce. Meaningful redesigns can ensure that existing investments made in financial aid maximize benefits for students and states alike.
State Financial Aid Redesign Thinkers’ Meeting Participants
December 4, 2014 ~ Las Vegas, Nevada

With the support of USA Funds, Education Commission of the States convened twelve of the nation’s leading experts on state financial aid to rethink the major components of a new system of state-funded aid. Over two days, experts discussed the promises and pitfalls of current models of student financial support in the states. The recommendations made in this paper are due in large part to their critical examinations of state financial aid and is a product of this ongoing collaboration.

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Endnotes

1. For the purposes of this paper, we utilize the terms “higher education,” “postsecondary education” and “college” interchangeably.


3. Several state programs predate initiatives in California and Illinois; however, our focus is to highlight major state programs established prior to the passage of the HEA that are still operating today.


6. Ibid, National Association of State Student Grant and Aid Programs, 2014. Students receiving aid from multiple state programs simultaneously in any given year are duplicated in the recipient count.

7. ECS compiled a 50-state database of state financial aid programs. We scanned for programs in the 50 states, District of Columbia and Puerto Rico. We identified the two largest expenditure programs in each jurisdiction, resulting in 99 programs. For harmony’s sake, we selected the next largest expenditure program in the choice set, resulting in three programs for the state of Texas.


9. Net price refers to the difference between published tuition and grants and scholarships awarded in a student’s financial aid package. It is the price that a student is expected to pay out of their own resources or to finance.


11. According to NASSGAP data, in 2013, 57 percent of state aid programs were unable to fund all students meeting eligibility guidelines. In several states, priority filing deadlines are employed in order to prioritize eligible applicants for funding.
