



Tab 16

Financial Aid Review Recommendations

Coordinating Board for Higher Education
December 12, 2018

BACKGROUND

The Board's coordinated plan, *Preparing Missourians to Succeed: A Blueprint for Higher Education*, recognized the changing higher education landscape and the need to ensure the state's student financial aid programs are aligned with that reality as well as the goals identified in the plan. The goal on affordability includes a recommendation to "convene a new state student financial aid task force to make recommendations for making the system more balanced, responsive, and efficient in the use of state funds devoted to financial aid." The Coordinating Board approved the staff plan to operationalize this strategy in March and in June approved a policy framework to guide the development of recommendations for change. This agenda item is intended to provide an update regarding Phase Two of the plan and seek board approval of the recommendations developed by the State Student Aid Committee for changes to the portfolio of programs.

The approved plan included three distinct phases. Phase One provided for the establishment of a task force charged with the development of a broad policy framework for state student assistance programs. The work of the task force concluded in June with the board's approval of the framework. A summary of the policy framework is attached to this agenda item. The framework was intended, in part, to guide a comprehensive review of the existing programs administered by the MDHE, which was conducted during Phase Two of the project.

Phase Two of the initiative began in June with the establishment of a state student financial aid committee that is charged with reviewing the current portfolio of state programs based on the policy framework and making recommendations for change to ensure alignment between the two. A roster of committee membership is attached to this agenda item. Detailed information about the initiative is available at <https://dhe.mo.gov/ppc/grants/stateaidreview.php>. Phase Three encompasses the implementation of recommended changes, either through regulatory revisions or statutory changes.

Existing Program Background

Bright Flight

The Missouri Higher Education Academic Scholarship Program (also known as "Bright Flight"), established in 1988, provides scholarships based on academic achievement. The scholarship includes two award levels based on ACT or SAT scores in the top three percent (a maximum award of \$3,000) or ACT or SAT scores in the top fourth and fifth percentiles (a maximum award of \$1,000). Students scoring in the top three percent must be awarded the \$3,000 maximum before students in the top fourth and fifth percentiles can be awarded. For the 2017-2018 academic year, the qualifying composite test scores for students scoring in the top three percent were an ACT score of 31 or SAT math score of 800 and SAT critical reading score of 800. The qualifying scores for students scoring in the top fourth and fifth percentiles, which have never been funded, were an ACT score of 30 or an SAT math score of 770-799 and an SAT critical reading score of 770-799.

For FY 2018, 7,324 students received a Bright Flight award totaling \$36.3 million. This resulted in an average award of \$2,852. Approximately 75 percent of eligible Missouri residents receive an award through the program. Less than one percent of Bright Flight recipients report being African American, 15 percent report other races and 68 percent report their race as Caucasian. While persistence and graduation rates are good (95 percent and 80 percent respectively), the data would indicate that the award is having a limited impact on the percent of high performing students that remain in Missouri for their postsecondary education. With the exception of a small increase at the cut score (ACT of 31), retention in Missouri of students in the top three percent declines from approximately 80 percent at a 31 to about 50 percent at a score of 35. In the year after graduation, approximately 73 percent of Bright Flight recipients are either working in Missouri or have re-enrolled in a Missouri institution.

Access Missouri

The Access Missouri Financial Assistance Program, created in 2007, is designed to provide need-based financial aid to eligible Missouri residents. A student's financial need, as represented by their expected family contribution (EFC), is calculated based on the standard federal needs analysis formula. Students with an EFC at or below the established cutoff (\$12,000) are eligible for an award. Award amounts are graduated, using the statutory formula, based on the student's EFC. Within available funding, eligible students receive the highest award possible, up to the maximum established by statute (\$2,850 for students attending public four-year institutions, State Technical College, and independent institutions and \$1,300 for students attending public two-year institutions).

For FY 2018, 42,587 students received an Access Missouri award. This resulted in an average award of \$1,709 for students attending four-year institutions and State Technical College and \$639 for students attending public two-year institutions. Approximately 45 percent of Access Missouri recipients are in the lowest EFC category (\$0 to \$500) and almost 80 percent have an EFC that makes them eligible for the federal Pell grant, a widely used indicator of student need. Approximately 10 percent of Access recipients are African American, 12 percent report as other races and 60 percent are Caucasian. In the year after graduation, approximately 85 percent of Access Missouri recipients are either working in Missouri or have re-enrolled in a Missouri institution.

A+

The A+ program began as a school improvement initiative established by the Outstanding Schools Act of 1993. The A+ Scholarship provides tuition and fee reimbursement to eligible graduates of designated high schools to attend community colleges, public vocational or technical schools, or private two-year vocational or technical schools that meet the statutory criteria. The scholarship component of the A+ program was transferred to the MDHE pursuant to an executive order in 2010. As of the end of the 2017-2018 academic year, there were 537 designated public high schools and 78 designated private high schools.

For FY 2018, 12,865 students received tuition and fee reimbursement through the A+ program totaling \$36.3 million. The average award was \$2,824. Approximately 11 percent of Missouri high school graduates receive a payment in the year following high school graduation. Approximately two percent of recipients identify as African American, 20 percent as other races, and 73 percent as Caucasian. Approximately 50 percent of recipients graduate or transfer within three years of enrollment. With regard to graduation, while Caucasian students graduate at a rate of approximately 34 percent, the graduation rate of African American students is roughly 15 percent lower. With regard to income, approximately 36 percent of A+ recipients are from families with incomes above \$100,000 and 12 percent are from families within incomes above \$150,000. While overall persistence rates are approximately 70 percent, students in the lowest EFC range (\$0 to \$2,000) persist at rates approximately 10 percent below those of their higher EFC peers. In the year after graduation, approximately 95 percent of A+ recipients are either working in Missouri or have re-enrolled in a Missouri institution.

Ross-Barnett

This program awards need-based scholarships to part-time undergraduate students who are employed and compensated for at least 20 hours of work per week. Awards are based on actual tuition for six credit hours (for students who are enrolled in 6, 7, or 8 credit hours), or actual tuition for nine credit hours (for students who are enrolled in 9, 10, or 11 credit hours), not to exceed the amount of tuition charged to a Missouri undergraduate resident enrolled in six or nine credit hours, as applicable, in the same class level at the University of Missouri – Columbia.

In FY 2018, 207 students received an award through this program totaling \$415,000. The average award for this grant is approximately \$2,045. Because the program is substantially underfunded (approximately 80

percent of those that apply are funded) and provides funding for students attending on a part-time basis, outcome data has been difficult to develop.

All Programs

In addition to program specific measures, it is important to look more broadly at the impact of student aid programs and the issues relating to affordability. For example, census data indicates that the percent of 18 to 22 year old Missourians enrolled in postsecondary education is strongly correlated with student/family income. Only about 42 percent of students in this age group from the lowest income category (\$0 to \$30,000) are enrolled in postsecondary education while approximately 75 percent of the students from the highest income category (\$120,000 and up) are enrolled.

Pell grant recipients are much less likely to complete their degrees within 150 percent of the normal time. For example, at public four-year institutions, the graduation rate of Pell eligible students is 21 percent lower than the overall average. A recent report from the Third Way, a national think-tank focused on issues of opportunity, freedom, and security, indicated that most Missouri four-year institutions graduate Pell eligible students at a substantially lower rate than non-Pell students.

While 24 percent of the state's total undergraduate enrollment is comprised of students above the age of 24, only 10 percent of students receiving state student assistance are in that age range. For the state's independent institutions, 38 percent of the student attending those institutions are 25 or older. Relatedly, 37 percent of the state's undergraduate headcount enrollment attends less than full-time. At public community colleges, that percentage is 54 percent. Of the more than 60,000 students that receive state student assistance, less than 300 attend part-time.

In 2015-2016, unmet need, after adjusting for a reasonable work commitment and excluding student loans, at public four-year institutions averaged more than \$6,000 for students with an income of less than \$30,000.

CURRENT STATUS

Since its initial meeting in June of this year, the State Student Financial Aid committee has met each month through November to develop recommendations for changes and additions to the state student assistance programs administered by the Department of Higher Education. In addition to an analysis of the policy framework adopted by the Coordinating Board, the committee received a broad data overview of financial aid related issues from the National Center for Higher Education Management Systems and state and program specific data reports developed by MDHE staff.

During the month of November, the committee distributed a draft set of recommendations for review and comment by the broader education community. The draft recommendations were accompanied by an outline example of how the recommendations might be incorporated into a structure that streamlines the existing programs, as well as new programs, into a cohesive configuration. Copies of these materials were sent to the members of the State Student Financial Aid Task Force, presidents and chancellors of all public and independent colleges and universities, MDHE contacts at public area vocational schools, individuals subscribed to the MDHE electronic message system (which includes state student financial aid professionals, A+ advisors and other interested persons across the state), and, with the assistance of the Department of Elementary and Secondary Education, high school counselors and A+ coordinators. The MDHE received comments from 65 individuals, more than half of which were from high school staff. In total, the MDHE received 236 individual comments about various components of the draft recommendations.

At its November meeting, the committee discussed and made revisions to the draft recommendations, based on the comments received through the above process as well as ongoing committee discussions regarding each recommendation. Supported by this foundation, the committee adopted a set of 13 recommendations for program changes and additions that are directly linked to the policy framework for review and consideration by the Coordinating Board.

The following is a brief explanation of the recommendations that have garnered the greatest attention and interest. The description of each major area includes the recommendation along with an indicator of the policy item or items the recommendation implements (cross-walked with Attachment A) and a brief background regarding the proposed recommendation.

Program Structure

To simplify the overall program structure and to improve the marketability of the state aid programs, it is recommended that all major state aid programs be organized under a single banner. The goal of the reorganization is to develop better program integration, particularly with regard to need, merit, and completion components, allowing “stackability” of awards to better target student needs. Each major pathway through the program (early commitment, access and success, and workforce incentive) would retain some distinctiveness in order to minimize the disruption and allow more focused marketing to specific student groups.

Policy Items 3 and 8 – Move toward fewer programs that are broad-based and flexibly designed in order to serve students across the spectrum of lifelong learning.

Discussion

This recommendation is intended to promote a single overarching identity for the state student assistance programs, while also maintaining some degree of autonomy for the individual program components. Some comments suggested this approach would undermine individual “brand recognition” of programs, while others expressed concern that it would make the programs more complex and difficult for students and families to navigate. The committee determined that this organizational structure would provide a more uniform and marketable platform for Missouri’s state aid programs. This structure also provides an opportunity to highlight how different program components work together to target specific student groups, such as high achieving students with financial need. Although those students might receive awards from multiple programs (Bright Flight, Access Missouri, Persistence bonus), this approach would organize those in a way that will reduce the potential for confusion, particularly by first generation students. While there are many ways to organize this recommendation, current conversations have focused on three “pathways” that students would likely follow. Those are the A+ pathway, the Access and Success Pathway, and the Workforce Pathway.

A+ Pathway

To strengthen the preparation and success of entering students, it is recommended that the early commitment component of the A+ program be enhanced by including the following revised and additional eligibility requirements.

- *Initial contact about the program should occur no later than the completion of the eighth grade.*
- *Documentation of postsecondary and career exploration activities, which can include but is not limited to Missouri Connections and/or participation in career and technical education designated coursework, and a career pathway plan, incorporating the Individual Career and Academic Plan (ICAP) should be accomplished as soon as possible after enrolling in a Missouri high school. The career pathway plan should be reviewed annually and updated as needed through high school graduation.*
- *Broaden the mentoring/tutoring requirement to include options for community service and postsecondary preparation activities and maintain a minimum requirement while in high school.*

To broaden participation in the A+ program, it is recommended that Missouri extend eligibility for the A+ program to all students who have successfully completed a high school educational program and satisfied the program specific eligibility criteria.

It is recommended that the MDHE develop additional options beyond the end-of-course exam assessments and the ACT to demonstrate postsecondary readiness, particularly for students pursuing skill-based training.

In order to prioritize students with financial need, it is recommended that A+ awards be allowed to cover a limited amount of educational costs above tuition and general fees for students that are determined to have financial need. It is recommended that this additional cost be offset by capping the maximum payment to a student who does not meet the need criteria. The cap would be established as the average annual award for the previous award year.

Policy Items 1, 4, 7 and 10 – Reward students for academic achievement while also addressing their ability to finance their education; reduce student debt by allowing awards to finance educational expenses above tuition and fees; take into account other non-loan aid; encourage high school students to demonstrate postsecondary readiness.

Discussion

These recommendations recognize that much has changed with regard to the A+ program since its inception in the 1990s and are intended to strengthen the impact of the program while simplifying some of the more onerous program components. These proposed changes received the majority of comments and were extensively discussed by the committee. Lessons from other states that developed programs both before and after the implementation of A+ were also part of the discussion.

These recommendations link some high school components of the program to school improvement processes currently underway within the Department of Elementary and Secondary Education, such as Individual Career and Academic Plans and Missouri Connections. The recommendations promote making all public and private high school graduates potentially eligible for the program by eliminating the obsolete high school designation process and replacing the current end-of-course requirement with a more flexible and appropriate process for determining the readiness of students for postsecondary education.

Finally, the recommendations include capping the awards of the highest income recipients to allow some funds to be allocated to low-income students that currently receive little to nothing from the program even though they meet the same high school requirements as their higher income peers. The recommended approach would not impact the overall cost of the program and all students that meet the eligibility criteria would continue to receive an award under the program. However, capping the award of some students would allow those funds to be shifted to students that currently receive no program funding because other aid covers their tuition and fee costs. Some commenters expressed concern that this award structure would undermine the ability of middle income students to afford to attend a community college. Some commenters also felt this shift was unfair to upper income students since they did the same work as others but would potentially receive less of a benefit. The intent of this recommendation is to improve the success of the most financially needy students, who currently persist at a rate approximately 10 percent below the higher income students, by meeting some of their education related costs (books, tools, room/board, etc.) not currently covered by the program. It is important to note that the committee vote on this item included some opposition but was approved by the vast majority of the committee members across all sectors.

Access and Success Pathway

Transfer Scholarship

To encourage and reward persistence and completion, it is recommended that Missouri develop a transfer scholarship to assist A+ eligible students who successfully transition from a two-year to a four-year institution. Eligibility for the program should be contingent upon successful completion of the A+ program while in high school and successful completion of an associate degree at a public community college.

Policy Items 1 and 11 – Reward students for academic achievement and structure programs to encourage completion.

Discussion

Beginning a postsecondary education journey at a community college is seen as the appropriate path for a growing number of students. In that environment, removing barriers to transfer becomes increasingly important. The growing cost of higher education, the development of the CORE 42 curriculum, and a recognition of the way students currently access the system of postsecondary education all support the development of a transfer scholarship. Because of the student success components that are an integral part of the A+ program, this recommendation builds on that foundation by requiring students to complete the high school component of the program, to receive funding through the A+ program for at least a certain time period, and to successfully complete a prescribed requirement at an A+ participating postsecondary institution. The basic intent of the recommendation is to assist students by cushioning the loss of the assistance provided through the A+ program as students transition to the more costly four-year sector.

While there was overall support for the development of a transfer scholarship, there was considerable disagreement regarding at what point the student would be able to transfer and become eligible for the scholarship. The original draft established that point at the completion of the coursework that fulfills the CORE 42 requirement. As a fully transferable block of courses agreed to by public four-year and some independent institutions and the community colleges, this threshold would ensure coursework completed with A+ funds would not be lost during the transfer process. Others were concerned that this threshold is inconsistent with the current focus on program completion and recommended establishing the threshold at the completion of an associate's degree at the community college.

The committee was unable to reach a consensus position on this proposal at its final face-to-face meeting. Because of the broad general support for the establishment of this program, committee members were given additional time to review and consider this proposal, particularly the eligibility threshold. Although responses were not received from all committee members, half of the institutional members of the committee either supported or were willing to accept establishing the threshold as completion of an associate's degree. Consequently, the attached recommendation reflects that language.

Bright Flight

In order to encourage high academic performance, it is recommended that the Higher Education Academic Scholarship program (Bright Flight) incorporate the following changes while maintaining existing funding.

- *Add a high school GPA component to the eligibility requirements in conjunction with the ACT/SAT score component.*
- *Establish the ACT/SAT cutoff as a specific score level rather than as a percent of test takers.*
- *Extend eligibility to a wider range of high performing student by reducing the minimum qualifying score.*
- *Awards should be scaled across the range of GPAs and ACT/SAT scores with higher performance resulting in larger awards.*

Policy Items 1, 4, and 9 – Reward students for academic achievement and address financial barriers, reduce student debt by allowing award to finance educational expenses above tuition and fees, and provide awards consistent with program goals.

Discussion

With eligibility based entirely on a very high score achieved on a nationally normed examination (ACT or SAT), the Higher Education Academic Scholarship (or Bright Flight) program demographics are very narrow, resulting in over-representation of graduates from private high schools, suburban school districts, and ethnic-majority populations when compared to the overall demographic make-up of the state. In addition, because the eligibility is so narrowly structured, many high-ability students do not see the program as achievable because of testing bias, under-resourced schools, and test anxiety.

Although comments on this proposal were not numerous, several commenters raised concerns about the reliability and consistency of grades given the feeling that grade inflation is a widespread phenomenon. In contrast, much research indicates that high school grades are a more reliable predictor of student success in postsecondary education than a single test score. The committee also spent considerable time discussing how to incorporate grade points into the award matrix and what should constitute minimum acceptable levels. Consideration was also given to the possibility of incorporating a financial need cutoff into the program. The committee did not recommend including a need cutoff in the recommendations since needy students can receive both need and merit awards, allowing high achieving students with need to receive higher awards than more affluent students.

The intent of this recommendation is to broaden the program by expanding the range of eligible test scores and making the program more enticing by including a cumulative grade point component to the eligibility matrix. This approach would limit awards to students with high scores but a low probability of postsecondary success, due to a low grade point, while providing talented students with incentives to work hard while in high school in order to meet the GPA requirement even if their test score was not at the very highest level. Awards would be scaled across the range of performance, with highest awards for the highest levels of achievement. The intent would be to establish the GPA/test score matrix and awards within that matrix at levels that would not require additional program funding to support the proposed change.

Workforce Pathway

In order to address existing workforce gaps and to encourage adults to pursue education linked to high wage and high growth employment fields, it is recommended that Missouri develop a grant program focused on career-focused education programs for adults. Fields of study eligible for inclusion in this program should primarily prepare the recipient for direct career entry and should be identified periodically by the Coordinating Board for Higher Education. Recipients should be limited to individuals who are age 25 and above or, if younger, recipients must not have been enrolled in postsecondary education within the last two years. This program should have a financial need cap. Recipients that attend part-time should receive a reduced award. Awards should cover actual tuition and fees, after all other federal and state non-loan aid has been applied, with a guaranteed minimum award for eligible students.

Policy Items 2, 3, 5, 7, and 8 – Improve access for underserved populations; provide sufficient flexibility to assist lifelong learning needs, meet students where they are by supporting timely completion; take into account other non-loan aid; and design programs to assist a wide spectrum of students and workforce needs.

Discussion

There is growing attention across postsecondary education of the need to better serve under-represented populations and to make progress in addressing the current workforce skills gap. Additionally, if Missouri is to achieve its goal of 60 percent of the working population with a meaningful postsecondary credential, we must find ways to engage adult and other returning students in ways that will lead them toward completion.

This proposed income-sensitive grant program is designed to encourage adults to upgrade or retool their skills in order to enter high demand, high wage occupations upon graduation. The program would allow for those under the age limit to participate under certain circumstances. The program is a “last dollar,” tuition and fee program, where federal, state and other governmental non-loan education assistance is applied to the student’s tuition and fee bill and the grant covers any remaining tuition and fee amount. If other aid covers all tuition and fee costs, students would receive a set award above tuition and fee costs to assist with other costs of attendance. The majority of comments on this section were supportive of developing a program targeting this population and these subject areas. Most concerns related to what types of programs would be included within the eligibility criteria and the ability to fund this program without impacting the funding of existing programs.

Other Recommendations

In addition to the recommendations highlighted above, several other recommendations warrant special mention because they address important policy items contained in the broad framework.

In order to increase the participation of underserved populations, including adults (**Policy Item 5**), the committee recommends broadening the eligibility criteria for some programs, particularly need and merit-based programs, to include students who enroll less than full-time. At many institutions, students attending part-time make up a large proportion of the student population. By making these students eligible, the state would provide this student population with the additional support needed to increase their ability to persist to completion.

As the focus on postsecondary education shifts beyond solely access to incorporate persistence and on-time completion, many states have implemented incentives for students to enroll in more than just the minimum number of credit hours required to be considered full-time (**Policy Items 5 and 11**). Such initiatives as “15 to Finish” are designed to ensure the conversation about enrollment includes recognition that the minimum full-time requirement (12 credit hours per semester) does not lead to on-time completion of degree programs. However, rather than taking a punitive approach, the committee recommends the development of a “persistence bonus” for merit and need-eligible students that complete at least 30 credit hours per academic year. This bonus is intended to help students cover the cost of the additional coursework required to meet this requirement.

Finally, mirroring a conversation that is presently occurring at the national level, the committee recommends that the department expand program eligibility to include some short-term programs that are not currently eligible for federal student assistance (**Policy Item 3**). This expansion would be incorporated into the A+ program, the need-based Access and Success pathway, and the workforce incentive grant. In order to ensure these funds are focused on impactful training, eligibility would be limited to areas of high demand and programs that lead to an industry recognized credential.

CONCLUSION

The recommendations contained in the attachments were developed through an extensive and collaborative process that incorporated input from a wide spectrum of higher education constituencies. Some have commented that the changes go too far and will undermine the current stability while others have indicated the recommendations do not go far enough to adequately implement the policy framework and address the ongoing needs of Missouri students for financial assistance. As with any process of this type, the final result is a compromise. In this case, the recommendations strike a balance designed to address the changing landscape of postsecondary education while reflecting the realities of the current system and the environment in which it operates.

The next phase of the project is implementation. Some changes can be accomplished through changes to the existing administrative rules that govern the individual programs. Other changes, including those that propose the development of new programs, will require statutory changes. Attached to this document is a matrix of how those changes will occur based on an initial review by MDHE staff.

RECOMMENDATION

The MDHE staff recommend that the Coordinating Board commend the work of the State Student Financial Aid Committee and accept the recommendations submitted by the committee. It is also recommended that the Coordinating Board direct MDHE staff to take the steps necessary to implement the recommended changes. In addition, it is recommended that the State Student Financial Aid Committee continue to work with MDHE staff on the implementation phase of this initiative.

ATTACHMENTS

- A. June 2018 CBHE Financial Aid Policy Framework
- B. State Student Aid Committee Roster
- C. State Student Aid Committee Recommendations
- D. Implementation Matrix

Tab 16 Attachment A Financial Aid Review Recommendations

**State Student Financial Aid Policy Framework
Accepted by Coordinating Board for Higher Education
June 7, 2018**

Vision

Missouri's state student aid system must be balanced, responsive, and efficient through competitively funded programs that are transparent in operation, student centered, serve eligible students where they are, provide for timely awards, include broad criteria that prioritize student needs, and are positioned to achieve Missouri's postsecondary education and workforce development goals.

Purpose

The purpose of Missouri's student financial assistance programs is to assist Missouri students in reaching their postsecondary education objectives by reducing financial barriers to enrollment and completion and encouraging students to achieve academically at their greatest potential in order for Missouri to prosper through an educated citizenry and a skilled workforce.

Policy Framework

1. Missouri's student financial aid portfolio should include programs that reward students for academic achievement as well as address a student's ability to finance their postsecondary education. However, providing support to students with identified financial need must be a high priority.
2. Missouri's student financial aid portfolio should provide improved access to postsecondary education for traditionally underserved populations, including low-income, ethnic minority, and place-bound students.
3. Missouri's student financial aid portfolio should be designed with sufficient flexibility to assist students across the spectrum of lifelong learning regardless of age, prior education, educational delivery method and attendance status.
4. Missouri's student aid portfolio should seek to reduce student debt by allowing awards to be used to finance any allowable educational expense rather than limit awards based on tuition and fee costs.
5. Missouri's student financial aid programs should meet students where they are by supporting completion of their educational program in a timely manner whether that is by completing 30 semester credit hours per academic year or the equivalent; through full-time attendance (24 semester credit hours per academic year or the equivalent); or through less than full time enrollment when that is the most appropriate for the student.
6. Missouri should not consider developing state-level student loan programs but instead should focus on providing non-loan financial assistance, including grant, scholarship, and/or state level work/study programs.

7. Missouri's student financial aid programs should, to the extent possible, take into account student eligibility for non-loan aid, particularly the federal Pell grant, in order to ensure the greatest impact for the state dollars invested in student assistance.
8. Missouri's student aid portfolio should focus on broad-based, flexible programs designed to assist a wide spectrum of students and workforce needs rather than establishing multiple narrowly focused programs. The MDHE should foster connections with interested entities, including other student assistance providers and business organizations to promote collaboration and cooperation in program operation.
9. State funded student aid programs should provide awards consistent with each program's goals and structure and should support completion for all students. Student assistance programs designed to support increased access to postsecondary education should provide assistance to the greatest number of eligible applicants while maintaining an award amount that results in meaningful assistance. Student assistance programs designed to reward and retain individuals based on talent or academic program should provide all eligible students with an award that is large enough to accomplish the student assistance programs' intended goals.
10. Missouri's student financial aid system should incorporate strategies that encourage high school students to engage in activities that demonstrate an understanding of and readiness for postsecondary education, with particular attention to populations most at-risk for not considering postsecondary education as a viable option.
11. Missouri's student aid programs should be structured in a way that encourages students to persist to program completion.
12. The MDHE should develop a comprehensive marketing program for the state assistance programs that includes not only information about program structure and requirements but addresses issues of financial literacy, avoidance of unnecessary student borrowing, and readiness to succeed in postsecondary education.

Coordinating Board for Higher Education
December 12, 2018

Tab 16 Attachment B Financial Aid Review Recommendations

**Department of Higher Education
State Student Financial Aid Committee**

Public Four-year Institutions

Nick Prewett; Executive Director, Student Financial Aid, University of Missouri - Columbia

James Green; Director of Financial Assistance, Harris-Stowe State University

Charles Mayfield; Director of Financial Assistance, Northwest Missouri State University

Vicki Mattocks; Director, Student Financial Aid, Missouri State University

Independent Institutions

Zach Greenlee; Director of Financial Services, Missouri Baptist University

Rose Windmiller; Associate Vice Chancellor, Government & Community Relations, Washington University

Crystal Bruntz; Director of Financial Aid, Avila University

Cassandra Hicks; Director of Financial Aid, Southeast Missouri Hospital College of Nursing and Health Sciences

Public Community Colleges

Amy Hager; Director of Financial Aid, Moberly Area Community College

Sarah Bright; Director of Student Financial Services, Jefferson College

Dena Norris; Director of Student Financial Services, Metropolitan Community College

Kim Cary; College Director of Financial Aid, Ozarks Technical Community College

State Technical College

Becky Whithaus; Financial Aid Director, State Technical College of Missouri

Area Vocational Technical School

Christian Vachaudes; Financial Aid Administrator, Columbia Area Career Center

Legislative Staff

Megan Rademann; Budget Analyst, Missouri Senate

Kate Hangley; Budget Analyst II, Missouri House of Representatives

Tab 16 Attachment C

Financial Aid Review Recommendations

1. To simplify the overall program structure and to improve the marketability of the state aid programs, it is recommended that all major state aid programs be organized under a single banner. The goal of the reorganization is to develop better program integration, particularly with regard to need, merit, and completion components, allowing "stackability" of awards to better target student needs. Each major pathway through the program (early commitment, access and success, and workforce incentive) would retain some distinctiveness in order to minimize the disruption and allow more focused marketing to specific student groups.
2. To strengthen the preparation and success of entering students, it is recommended that the early commitment component of the A+ program be enhanced by including the following revised and additional eligibility requirements.
 - a. Initial contact about the program should occur no later than the completion of the eighth grade
 - b. Documentation of postsecondary and career exploration activities, which can include but is not limited to Missouri Connections and/or participation in career and technical education designated coursework, and a career pathway plan, incorporating the Individual Career and Academic Plan (ICAP) should be accomplished as soon as possible after enrolling in a Missouri high school. The career pathway plan should be reviewed annually and updated as needed through high school graduation
 - c. Broaden the mentoring/tutoring requirement to include options for community service and postsecondary preparation activities and maintain a minimum requirement while in high school
3. To broaden participation in the A+ program, it is recommended that Missouri extend eligibility for the A+ program to all students who have successfully completed a high school educational program and satisfied the program specific eligibility criteria.
4. It is recommended that the MDHE develop additional options beyond the end-of-course exam assessments and the ACT to demonstrate postsecondary readiness, particularly for students pursuing skill-based training.
5. In order to prioritize students with financial need, it is recommended that A+ awards be allowed to cover a limited amount of educational costs above tuition and general fees for students that are determined to have financial need. It is recommended that this additional cost be offset by capping the maximum payment to a student who does not meet the need criteria. The cap would be established as the average annual award for the previous award year.
6. To encourage and reward persistence and completion, it is recommended that Missouri develop a transfer scholarship to assist A+ eligible students who successfully transition from a two-year to a four-year institution. Eligibility for the program should be contingent upon successful completion of the A+ program while in high school and successful completion of an associate's degree at a public community college.
7. To promote participation in postsecondary education by adults and other underserved populations, prorated awards for part-time attendance should be incorporated into programs, including need

and merit-based programs, as appropriate. Award requirements should, however, require at least half-time attendance in order to remain eligible.

8. In order to encourage high academic performance, it is recommended that the Higher Education Academic Scholarship program (Bright Flight) incorporate the following changes while maintaining existing funding.
 - a. Add a high school GPA component to the eligibility requirements in conjunction with the ACT/SAT score component.
 - b. Establish the ACT/SAT cutoff as a specific score level rather than as a percent of test takers.
 - c. Extend eligibility to a wider range of high performing student by reducing the minimum qualifying score.
 - d. Awards should be scaled across the range of GPAs and ACT/SAT scores with higher performance resulting in larger awards.
9. To promote on-time completion of programs, it is recommended that Missouri develop a progression award that is linked to the merit and need-based programs. This program should provide a monetary bonus for students that complete the number of hours in a prior academic year needed to graduate on-time (30 SCH or equivalent).
10. In order to address existing workforce gaps and to encourage adults to pursue education linked to high wage and high growth employment fields, it is recommended that Missouri develop a grant program focused on career-focused education programs for adults. Fields of study eligible for inclusion in this program should primarily prepare the recipient for direct career entry and should be identified periodically by the Coordinating Board for Higher Education. Recipients should be limited to individuals who are age 25 and above or, if younger, recipients must not have been enrolled in postsecondary education within the last two years. This program should have a financial need cap. Recipients that attend part-time should receive a reduced award. Awards should cover actual tuition and fees, after all other federal and state non-loan aid has been applied, with a guaranteed minimum award for eligible students.
11. In order to streamline state aid process for some students, it is recommended that the MDHE allow institutional student aid directors to exercise limited professional judgment relating to state student assistance programs. Such professional judgments would be limited in scope and subject to review and approval by MDHE staff.
12. In order to address the workforce needs of the state, it is recommended that the MDHE expand educational program eligibility to some short-term programs that are not eligible for federal student aid (Title IV). Eligibility of the programs should be limited to those that are high demand and/or lead directly to an industry-recognized credential. Programs included in this expansion would be reviewed and approved annually by MDHE staff.
13. Because state aid deadlines create barriers for adult and non-traditional students, it is recommended that the MDHE review options for altering the current deadline structure for need and merit-based programs and implement options that are determined feasible given the current program structures and appropriation levels.

Tab 16 Attachment D
Financial Aid Review Recommendations

Proposed Implementation Matrix

Note: Statutory changes will also require administrative rule amendments or additions. This matrix only identifies the primary location of the change.

Recommendation	Administrative Rule	Statutory Change	Budget Impacted
1. Simplify structure	X		
2. A+ preparation	X		
3. A+ all H.S. graduates eligible		X	
4. A+ college readiness options	X		
5. A+ need sensitivity		X	
6. Transfer Scholarship		X	X
7. Allow part-time attendance		X	X
8. Bright Flight		X	
9. Progression bonus		X	X
10. Workforce Grant		X	X
11. Professional Judgment	X		
12. Short-term program eligibility	X		X
13. Deadlines	X		