



Tab 19

Financial Aid Review Policy Framework Recommendations

Coordinating Board for Higher Education
June 7, 2018

BACKGROUND

The Coordinating 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 strategy 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." In March, the board approved the staff plan to operationalize this strategy and directed staff to implement that plan. This agenda item is intended to provide information regarding the work of the task force and to transmit the task force report, completing the first phase of the plan.

CURRENT STATUS

The approved plan included three distinct phases. Phase One provides for the establishment of a task force charged with the development of recommendations that will serve as a broad policy framework for the department's portfolio of state student assistance programs. The policy framework is intended, in part, to guide a comprehensive review of the existing programs administered by the MDHE, which will be conducted during Phase Two of the project. Phase Three encompasses the implementation of recommended changes, either through regulatory revisions or statutory changes.

Phase One of this initiative began in March with the appointment of the task force membership. The task force has held three formal meetings and staff have remained in contact with the task force membership between meetings to solicit input on the issues under consideration as well as comments and suggestions as ideas and proposals emerged. A wrap up meeting by conference call is scheduled for June 4.

Task Force Report Summary

Vision Statement

In order to provide a guiding vision statement both for the work of the task force and as a component of the final policy framework, the task force developed a definition of a "more balanced, responsive, and efficient" student aid system. After much discussion and comment, the task force recommends the following vision statement for that system.

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 Statement

The task force also reviewed and recommends the following purpose statement for the state funded student assistance programs administered by the MDHE. This purpose statement is designed to provide additional

clarity in the overall direction of the student aid portfolio and help guide policymakers and program administrators in addressing the needs of postsecondary students and the state.

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 student to achieve academically at their greatest potential in order for Missouri to prosper through an educated citizenry and a skilled workforce.

Policy Recommendations

In addition to establishing a vision and purpose statement for the student financial aid programs administered by the MDHE, the task force developed for board consideration and approval a set of 12 policy statements. These policy statements provide direction and guidance on specific topics contained in the task force charge as well as issues central to the objective of ensuring Missouri's portfolio of student financial assistance programs are relevant and goal oriented. Although the full policy report is attached, it is important to highlight several of the most crucial recommendations from the report

One of the perennial issues relating to state student aid and one that often generates considerable confusion and controversy is the attempt to establish the appropriate balance between need and merit-based programs. As anticipated, this issue was among the most controversial and the most difficult to resolve. While the task force members agreed Missouri struggles to improve participation in postsecondary education of underserved populations, concern was expressed by some that too strong of an emphasis on financial need could undervalue the contribution of merit-based programs to persistence and completion. Alternatively, some task force members took the position that taxpayer funded programs should be targeted toward students facing financial barriers to access and success in postsecondary education. In the end, the task force agreed on a policy statement that establishes support for need-based programs as a priority. This approach seeks to balance the value of merit based programs with the recognition that if we are to develop the educated citizenry and workforce needed to move this state forward, we must reduce financial barriers for students and families that face these challenges.

Several of the policy recommendations contained in the report reflect a realization that the student population of today and tomorrow is substantially different than it was when most of our current programs were designed and implemented. In some institutions and sectors, the majority of students now attend part-time while our aid programs continue to limit eligibility to students attending full-time. Data indicate nearly a quarter of the postsecondary headcount enrollment are above the age of 24, while only 10 percent of the recipients of our aid programs are in that age category. The percent of financial aid recipients identified as members of several racial and ethnic minority groups is consistently below their participation in postsecondary education. In order to address these disparities and better serve these populations, the task force report includes recommendations that the state's student aid programs become more responsive and flexible. Consequently, the report contains recommendations to reduce or remove barriers based on the age of the student, the student's attendance status, and the type of program the student chooses.

The task force also recognized the important role student financial assistance should play in addressing the needs of the state for an educated citizenry and a highly skilled workforce. If the state is to successfully address these needs, the task force believes it is critical that the department work together with our postsecondary education institutions, other student aid providers, and the business community. Several recommendations encourage these connections to ensure the greatest impact for state dollars allocated to student assistance and the greatest potential for success of the students receiving those dollars.

The task force identified the need to include student assistance in an effort to promote greater awareness of postsecondary education opportunities. This recommendation encourages the development of a comprehensive marketing program that incorporates information about state student assistance programs with information about financial literacy, reducing student debt and readiness for postsecondary education. As

referenced in the previous paragraph, the task force believes this effort will be most effective if it engages the full range of partners.

Finally, although there is not a specific recommendation regarding the funding of state student assistance programs, this summary would not be complete if it did not reflect the task force's discussion of the importance of adequate funding of the student aid programs. Although the funding of student aid programs has been increasing in recent years, those investments have not kept pace with what is needed to ensure all programs can achieve the desired outcomes. In addition, as the department and Coordinating Board consider the changes envisioned by this policy document, additional investment will likely be necessary to ensure those changes have the desired impact.

Staff Analysis

Over the life of Missouri's operation of state level student financial assistance programs, which began during the 1970s, an overarching vision and policy framework for the development and operation of the programs has never been developed. This effort was designed to establish that type of foundation for these programs, which distribute nearly \$120 million to approximately 70,000 Missouri students.

The attached document represents a broad and forward-looking foundation for our student aid system. In addition to providing a basis for current program operations, it also provides a vision for how change should occur within our student aid system if we are to ensure our programs are equipped to serve the students of today and tomorrow and assist the Coordinating Board and the state in achieving its important goals relating to postsecondary attainment and affordability.

NEXT STEPS

As referenced earlier, the primary work of the task force is reflected in the attached report. One additional meeting of the task force is scheduled in order for the task force to take final action on the policy report. Any changes that result from that process will be incorporated into the final document to be distributed before the board meeting. In addition, the task force will continue to be consulted during the operation of Phase Two to ensure that process maintains consistency with the policy guidelines adopted as part of this agenda item.

MDHE staff have begun work on Phase Two by establishing the working group that will review and make recommendations for possible revisions to the state student aid programs. Staff plan to begin meetings with this group in late June with the goal of bringing a set of recommendations to the Coordinating Board at its December meeting.

RECOMMENDATION

It is the staff recommendation that the Coordinating Board accept the policy framework developed by the Financial Aid Review Policy Task Force as the foundation for the operation and evaluation of the state's student financial assistance system as well as for the development of new programs within that system.

It is also recommended that the Coordinating Board commend the task force membership for its commitment to assisting the students of Missouri and for the work of developing this policy framework.

ATTACHMENT

- A. State Student Financial Aid Policy Task Force Charge
- B. State Student Financial Aid Policy Task Force Membership Roster
- C. State Student Financial Aid Policy Task Force Report

Tab 19 Attachment A

State Student Financial Aid Policy Task Force Charge

The Coordinating Board for Higher Education Blueprint for Higher Education begins with the following statements:

“Missouri’s future depends on an educated citizenry. The private and public benefits of higher education are the building blocks of a vibrant society, a thriving economy, and a good quality of life for all Missourians.”

To achieve the benefits referenced in that quote, the Coordinating Board recognized the crucial role that affordability must play by highlighting that issue as one of the five goals established as part of the Blueprint. Within that goal, the first strategy is the convening of a new state student financial aid task force. In implementing that strategy, the Coordinating Board charges the task force with the following responsibilities.

1. Recommend a broad policy framework that will result in a more balanced, responsive, and efficient state aid system.
2. Recommend policies that address the following issues:
 - a. The balance between need-based and merit-based support for students.
 - b. The alignment of the policy framework with the state goals identified in the Blueprint and other relevant documents.
 - c. The need to reduce or fully cover the cost for up to two years of postsecondary education for all eligible students.
 - d. The need for flexibility and inclusiveness in order for the resulting programs to respond to a variety of enrollment options.
 - e. The options for providing real-world job experience and skill development as part of the student aid system.
 - f. The need to provide new types of aid or revised aid approaches that promote persistence and completion, particularly for at-risk students.
 - g. Other issues identified by the task force.
3. Review and evaluate the policy foundation for the current portfolio of state student assistance programs and incorporate the evaluation into the policy framework.

Coordinating Board for Higher Education
June 7, 2018

Tab 19 Attachment B State Student Financial Aid Policy Task Force Membership

Legislature

Representative Dean Dohrman
Senator Gary Romine

Presidents/Chancellors

Roger Drake, President, Central Methodist University
Greg Gunderson, President, Park University
Jeff Lashley, President, Moberly Area Community College
Jeff Pittman, Chancellor, St. Louis Community College
Carlos Vargas, President, Southeast Missouri State University
Dwaun Warmack, President, Harris-Stowe State University

Financial Aid Officers

Aimee Bristow, Senior Director of Enrollment Management, Westminster College
Kim Cary, Director of Financial Aid, Ozarks Technical College
Nick Prewett, Executive Director, Financial Aid, University of Missouri - Columbia

External Constituencies

Alan Byrd, Jr., Co-chair, St. Louis Graduates and University of Missouri-St. Louis
Brian Crouse, Vice President of Education Programs, Missouri Chamber of Commerce
Melissa Findley, Executive Director, Missouri Scholarship and Loan Foundation
Greg Lapaso Vice President for Educational Strategies, St. Louis Regional Chamber
Mardy Leathers, Director, Division of Workforce Development, Dept. of Economic Development
Brandon McCoy, Missouri State University Student Government President
Meredith Naughton, Executive Director of College Pathways, University of Missouri - Columbia
Vicki Schwinke, Chief Academic Officer, State Technical College
Jasey Overholser, Alpha Psi Tau Chapter President, Ozarks Technical College
Olivia Wilson, Westminster College Student
René Yoesel, Director of School Counseling, Department of Elementary and Secondary Education

Coordinating Board Liaison

Mike Thomson – CBHE Member

Tab 19 Attachment C State Student Financial Aid Policy Task Force Report

BACKGROUND

The Coordinating Board for Higher Education's Blueprint for Higher Education begins with the following statement.

"Missouri's future depends on an educated citizenry. The private and public benefits of higher education are the building blocks of a vibrant society, a thriving economy, and a good quality of life for all Missourians."

In addition, the plan recognizes that limited state funding for higher education has impacted college affordability in Missouri. According to the plan, from 2000 to 2013, state funding per full-time student decreased by more than \$1,400. In 2013, higher-education funding per full-time student in Missouri was \$4,655, compared to the national average of \$6,172.

The plan also highlights that, while significant investments have been made to the Access Missouri Grant, Bright Flight Scholarship and A+ Scholarship programs, state financial aid funding has not kept up with the need for assistance. Access Missouri, the state's only grant based on student financial need, has been underfunded for a number of years, ranking Missouri 33rd among all states in providing need-based aid to students.

To achieve the benefits referenced in that initial quote, the Coordinating Board recognized the crucial role that affordability must play by highlighting that issue as one of the five goals established as part of the Blueprint. To address these issues as well as to consider the need to update Missouri's state aid programs to reflect the reality of the changing postsecondary education landscape, the plan included convening a 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." This task force is a result of that strategy.

The Blueprint strategy and the charge to the task force envisioned this process would include a review and evaluation of the policy foundation for the current portfolio of state student assistance programs and incorporate the evaluation into a new policy framework to guide the work of future policymakers and program administrators. At its first face-to-face meeting, the task force reviewed the existing major state student aid programs, including a discussion of each program's policy underpinnings. While there is not a separate recommendation that flows from this component of the charge, the incorporation of the performance of the existing programs is part of the foundation for the recommendations made by the task force.

VISION

Given the plan's strategy for the student aid system and the related charge, one of the task force's first jobs was to provide a more comprehensive vision of what a "balanced, responsive, and efficient" student aid system should entail. In response, the task force developed the following vision statement and recommends its inclusion as the vision for Missouri's student aid programs.

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.

Underpinning this vision statement is the recognition by the task force that the student population in Missouri and the nation is changing. In addition to becoming more diverse in its makeup, attendance patterns and outcome expectations are also changing. In many institutions, the majority of students are attending part-time due to other demands in their life such as the need to work to support family. Additionally, if the state is to reach its attainment goal of 60 percent of working adults with a high quality postsecondary credential, the state must find ways to encourage and support adults currently in the workforce returning to postsecondary education, whether that is to “skill up” for emerging workforce need or to “re-tool” as the economy continues its shift toward new kinds of jobs and work.

All of these factors demand that the state’s student assistance programs be re-envisioned to ensure they are primarily a student benefit and that the programs are student centered. This shift in focus requires new approaches to how students are identified and notified about student aid eligibility. It also requires that sufficient funding is available to adapt to the changing postsecondary education environment without compromising the performance of the student assistance programs. According to the 2017 edition of the College Board’s *Trends in Student Aid*, Missouri grant aid dollars per undergraduate FTE is \$350 below the national average, ranking the state 30th on this measure. Finally, it requires that we review and re-evaluate the eligibility criteria to ensure they reflect the current postsecondary education landscape and address the needs of students entering the system of postsecondary education in a way that positively impacts their ability to access, persist and succeed.

PURPOSE

Based on this vision for the state’s student aid system, the next logical step is to identify a purpose statement for the state’s student assistance system that further refines its overall direction and helps guide policymakers and program administrators in addressing the needs of postsecondary students and the state.

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

Based on this vision and purpose, the task force recommends the following policy framework as the foundation for the operation and evaluation of the state’s student financial assistance programs and system as well for the development of new programs within that system.

Policy Recommendation 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.

The programs that comprise Missouri’s student financial aid system have an important role in reaching statewide attainment and affordability goals by providing assistance that reduces the financial barriers students often face. Unfortunately, recent state budget challenges have made achieving the full potential of that role more difficult. According to a recent report released by The Institute for College Access and Success, Missouri students with a family income of \$30,000 or less must spend more than half of their total annual income to cover the net cost of attendance at Missouri institutions. Net cost refers to the costs student must cover after all non-loan student financial assistance has been applied. By contrast, individuals from families with incomes above \$110,000 spend less than 10 percent to cover those costs. As to the mix of aid offered by the state, that report indicates that approximately 55 percent

of all undergraduate state aid in Missouri is need based, ranking the state 33rd on that measure and leaving the state well below the national average of 76 percent.

In recognition of these circumstances and the potential for substantive impacts on students through need-based aid, the task force recommends that Missouri's student financial aid portfolio continue to include programs that address a student's ability to finance their postsecondary education. Programs that are need-based or that include a need component are essential to this purpose and programs that consider a student's financial need should be a high priority for the state of Missouri.

To be clear, this focus on financial need should not exclude financial assistance for students that have demonstrated high academic achievement. While data and research indicate these programs tend to benefit individuals from more affluent backgrounds who are likely already college bound, incentives to achieve at high academic levels and to remain in Missouri to pursue postsecondary education are laudable goals. While academic merit components should remain a part of state student aid programs and merit-based programs should continue to be a component of the overall aid portfolio, financial need must be a high priority if the state is to reach the most at-risk students and to achieve the goals established in the Coordinating Board's Blueprint for Higher Education.

Policy Recommendation 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.

Missouri continues to struggle to adequately address the issues surrounding improving the participation in postsecondary education of underserved populations. The Coordinating Board's Blueprint for Higher Education attainment goal specifically references the need to "reduce disparities for students and faculty at Missouri's colleges and universities" by raising completion rates by race, ethnicity, socioeconomic status, gender and disability. The Blueprint also highlights the need to seek increased participation by adult and other non-traditional students, including veterans; individuals seeking new job skills; and those with some college but no degree.

In order to better serve these targeted populations, it is essential that those programs provide a flexible eligibility process. Eligibility deadlines should be a primary consideration in addressing this policy recommendation. While relatively early deadlines are necessary to provide a mechanism to control the total cost of a program, those deadlines often become barriers to students that may not be on the traditional pathway to postsecondary education or that have other challenges that limit their ability to make early enrollment decisions. The department should study the impact of moving to a multiple deadline approach, reserving some funding for students that are late decision makers.

Policy Recommendation 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.

The task force spent considerable time discussing the changing make up of today's postsecondary education student. While 24 percent of the state's total undergraduate enrollment is comprised of students above the age of 24, only approximately 10 percent of the students receiving state student assistance are in that age range. For the state's independent institutions, 38 percent of the students attending those institutions are 25 or older. In addition, more than 30 percent of recipients reported on their Free Application for Federal Student Aid (FAFSA) that neither parent completed postsecondary education. These students face a number of barriers in addition to those that are financial in nature.

If Missouri's student assistance programs are to be successful in helping students reach their educational objectives and if those programs are going to assist in creating a highly skilled workforce that has options for continuing their education as their needs and the economy demands, the student aid system must find ways to expand beyond the focus on recent high school graduates to provide ongoing support whenever and wherever it is needed by students. This includes ensuring student aid programs allow students to access postsecondary education as best suits their needs, including short-term programs and online, hybrid, competency-based, and other legitimate delivery methodologies that may emerge in the future.

Policy Recommendation 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.

Among the emerging trends in state student assistance is the focus on the cost of tuition and fees, particularly in the area of "promise" and other types of "free college" programs. While programs focused on covering these primary and direct costs are helpful, they do not recognize the other costs associated with engaging in postsecondary education, particularly on a full-time basis. This is particularly true for programs that seek to control state spending by limiting awards to tuition and fee costs, and is compounded if awards are reduced by other aid available to the student. At most institutions, tuition and fee costs are less than half of the total cost of attendance. Even for students that chose to live at home, food and housing costs remain an issue. For example, a 2015 survey conducted by researchers at the University of Wisconsin found that three in four low- to moderate income Wisconsin students living at home purchased food and 39 percent paid rent.

If students do not have the means to cover these unavoidable costs, providing a mechanism to cover only tuition and fees leaves students with substantial financial barriers and at much higher risk of taking on unsustainable levels of student debt and for failing to persist or even access the postsecondary education system. To address this issue, the state must focus on assisting students with covering the full cost of attendance.

Policy Recommendation 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.

Over the past several years, we have seen an evolution in emphasis within postsecondary education moving from an almost single minded focus on access to the system to a greater realization of the importance of persistence and completion. At the same time, as the cost of postsecondary education has increased and student borrowing has ballooned, there has been an increased emphasis on timely completion as a way to increase persistence and reduce overall costs.

These changes in focus must be supported by the state's student aid system if they are to be successful. All of the state's major student aid programs require full-time attendance as defined by federal student aid rules (12 semester credit hours per semester) but offer no incentive to enroll in additional coursework. If students are to be encouraged to increase the number of credit hours in which they are enrolled in order to graduate on-time, student aid programs must be able to help defer those additional costs. On the other side of the ledger, data indicate that 37 percent of the state's undergraduate headcount enrollment attends less than full-time. At public community colleges, that percentage is 54 percent. In order to meet students "where they are," the state's student aid programs

must be flexible enough to help students across a broad spectrum of enrollment statuses without sacrificing their student aid eligibility.

Policy Recommendation 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.

According to the Project on Student Debt, the average student debt for 2016 bachelor degree graduates was \$27,532 with 57 percent of the graduates having some debt. While both of those figures have been declining over the last few years, student debt continues to be an area of concern within postsecondary education. Excessive student loan debt is a continuing problem and the state student aid programs should seek to lessen that burden rather than contribute to it.

Alternatively, the inclusion of a state-level work study program offers an opportunity for students to earn money to help cover their cost of education without incurring additional debt while also providing much needed real-world experiences. In most instances, the work component is related to the student's area of study, offering an additional bonus to both the student and the business partner.

Policy Recommendation 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.

For better or worse, the process faced by students attempting to navigate the student aid system is a complicated one. Among the most complex parts is the array of agencies and organizations that provide some type of student aid. Whether it is the federal aid programs, state student aid, institutional aid or other private scholarship providers, it is a system with many moving parts. However, in the context of this discussion, it is how or whether those systems work together that is the issue.

If each component of the student aid system is to maximize its potential impact, it must be aware of other aid that a student is eligible to receive. This does not necessarily mean that programs reduce awards based on other available aid but instead is a focus on working together to meet the needs of students. While all of the student aid organizations play an important role, the federal contribution is by far the largest and most visible. According to the 2017 edition of the College Board's [Trends in Student Aid](#), the federal government provided 56 percent of the total undergraduate aid to students in 2015-2016. Consequently, in order to maximize the impact of funds allocated by the state to student financial assistance, the department should consider including some level of sensitivity to the eligibility of students for federal student aid, specifically Pell grant eligibility.

Policy Recommendation 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.

The Department of Higher Education currently administers 10 student assistance programs. Three of those are large, comprehensive programs, serving at least several thousand students, with the remaining seven being relatively small, highly targeted programs. While this current mix is not an issue, guidance from the Education Commission of the States and discussions by the task force focus on avoiding relatively small targeted programs that drain administrative focus and capacity and

concentrate on comprehensive programs that can be adapted to also provide assistance to populations being targeted for assistance.

In addition, Missouri's state student aid system must be connected to other stakeholders in advancing the goal of an educated citizenry and a highly skilled workforce. Closer cooperation with other state agencies as well as with the business community to identify priority needs can provide opportunities to target assistance without creating the unintended consequences that multiple, narrowly focused programs can create. This includes the flexibility to support efforts to increase the availability of apprenticeship and internship opportunities as valuable learning options.

Policy Recommendation 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.

A perennial tension point in student aid programs, particularly in an environment of limited funding, is whether it is best to serve more students by lowering award amounts or to limit the number of students served in order to provide more impactful awards. Ultimately, there is not a perfect balance in this regard and, in many instances, the decision is a situational rather than a policy based response.

While recognizing that reality, the task force identified the need for a differential focus depending on the nature and type of program that is involved. While impactful awards are important for all types of programs, Missouri has experienced the most difficulty in ensuring recipients of need-based awards have access to awards large enough to make a difference in their postsecondary financing plans. Because need-based programs serve the most financially vulnerable students, awards that are large enough to be a viable incentive are particularly crucial. Merit programs, because the eligible population is more clearly defined and typically more limited, should focus on maintaining the "promise" made to students through those programs to reward the expected behavior.

Policy Recommendation 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.

There is substantial research that indicates that student aid programs that incorporate early information for and decisions by high school students, such as Missouri's A+, Oklahoma Promise, and Indiana's 21st Century Scholars, increase the likelihood that eligible students will access and succeed in postsecondary education. While it is not entirely clear whether it is the early information or the resulting funding that has the greatest impact, it is clear that these programs lead to student success.

While such programs have a place in the portfolio of programs offered by the state, the approach is not appropriate for all students or for all types of student aid programs. Program requirements linked directly to high school activities can create barriers to serving students that do not matriculate directly from high school to postsecondary education and are not a good fit for programs that seek to assist underserved and at-risk populations. As a consequence, this recommendation is not to incorporate such requirements into all state student aid programs but to encourage new approaches that will inspire students to prepare for postsecondary education both academically and financially and connect them with the programs that best serve their needs.

Policy Recommendation 11

Missouri's student aid programs should be structured in a way that encourages students to persist to program completion.

The number one goal of the Department of Higher Education, as evidenced in the Blueprint for Higher Education, is educational attainment. While we continue to understand the importance of access to the postsecondary education system, it is also clear that access to failure is not a benefit to the student or the state. As a result, much of the work of the department in the recent past has been to establish a policy foundation that is focused on persistence and completion.

On the other hand, student aid programs are often seen as falling into one of two mutually exclusive categories. One type is designed to promote access to postsecondary education and the other promotes persistence to completion. In reality, the task force believes these two goals are not exclusive and programs can be designed with sufficient flexibility to both encourage enrollment while rewarding students for making decisions that lead to persistence and graduation. Ensuring awards keep pace with changes in attendance costs and are sensitive to the changing needs of students as they advance in their undergraduate studies is an important component of this policy. The key is to ensure that by promoting and rewarding completion, we do not establish barriers to first generation, low-income, and at-risk students.

Policy Recommendation 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.

The work of the task force was primarily to establish a policy framework for student assistance programs. However, the task force also recognized that, without an adequate plan to market the programs and ensure students have the information they need, even the best programs are unlikely to succeed. To reach their full potential, students and prospective students must have timely and complete information about Missouri's student assistance programs in order to make informed choices. While state aid programs should be highlighted in this effort, it is also an opportunity to provide more comprehensive information about accessing, persisting, and succeeding in postsecondary education.