



Tab J Financial Aid Review

Coordinating Board for Higher Education
March 8, 2018

BACKGROUND

In an era of limited financial resources and growing demands for high performance and accountability, it is essential that states consider the role funds invested in state student financial assistance programs can play in achieving its broad postsecondary attainment and workforce readiness goals. In concert with a performance funding framework and a coherent and logical model for core appropriation recommendations, state student financial aid should serve as a third leg supporting the state's goals for postsecondary education.

The state student assistance programs that make up Missouri's current "system" were each developed to address a specific issue or problem at that time. Bright Flight was developed in the mid-1980s to address the concern that highly talented students were leaving the state to enter postsecondary education. The A+ program, developed in the early 1990s, was primarily a high school improvement program that included a scholarship component largely as an incentive for participation both by school districts and students. Access Missouri, enacted in 2007, was developed to replace the multi-program approach that existed previously by creating a single need-based aid program. Each program functions well within its established parameters and performance data indicates positive impacts for those who participate in the programs. However, much has changed within the postsecondary education landscape since the 1980s and it is unclear if this current mix of programs and program requirements are appropriate for the students engaged in postsecondary education decades later. It is also unclear how well these programs work as a system to support student success or to what extent the programs are effective in achieving state-level goals.

To address these issues, the Blueprint for Higher Education includes strategies aimed at advancing affordability, including the convening of a new state student financial aid task force to make recommendations for creating a more balanced, responsive and efficient state student financial aid system. The Blueprint calls for the task force to evaluate the effectiveness of current programs, the balance between need-based and merit-based support for students, and the alignment of financial aid programs with identified state goals. The strategy also calls for the task force to study the need for new or substantially revised existing programs designed to cover the cost for up to the first two years of postsecondary education at public community colleges and significantly reduce the tuition cost for students at all institutions. Sufficient flexibility and inclusiveness should be included to respond to a variety of enrollment options such as online programs and early college courses for high school students.

CURRENT STATUS

The department has begun to lay the groundwork for the financial aid review by researching similar initiatives in other states and identifying the data and its sources needed to provide context for the task force. In addition, staff has applied to the Education Commission of the States (ECS) to receive technical assistance through their Financial Aid Redesign project and ECS has accepted the application pending board approval. ECS is the operating arm of an interstate compact on education policy that provides resources and expertise to help states with policy development.

Staff has also developed a proposed plan to undertake and complete the project. The plan begins with the establishment of the state student financial aid policy task force, as highlighted in the Blueprint, in spring 2018. This policy-focused workgroup should include representation from the Governor's office, the General Assembly, all postsecondary education sectors, and MDHE staff. The plan envisions the development of a set of guiding principles or policies that establish the framework for the review of the current state student aid system. Attached to this agenda item is the charge to the task force, which establishes the scope and nature of its work. Based on the framework developed by the task force, stage two of the plan would engage student financial aid professionals and other experts in the field to determine what changes or additions are needed to align the

state aid system with the policy framework developed by the policy taskforce. The plan also includes department support of any legislative initiatives resulting from the review, staff involvement in any required database redesign, and a public information campaign designed for an effective transition. Full implementation of all of these steps is targeted for fall 2020. A detailed copy of the current draft plan is attached to this agenda item, along with proposed structures for each of the working groups.

NEXT STEPS

Upon board approval of the proposed plan, including the proposed composition of the state student financial aid policy task force and the State Student Financial Aid Committee, staff will establish the task force and committee, beginning with invitations to department-selected representatives for each. Staff will then schedule and finalize preparations for four meetings of the policy task force.

RECOMMENDATION

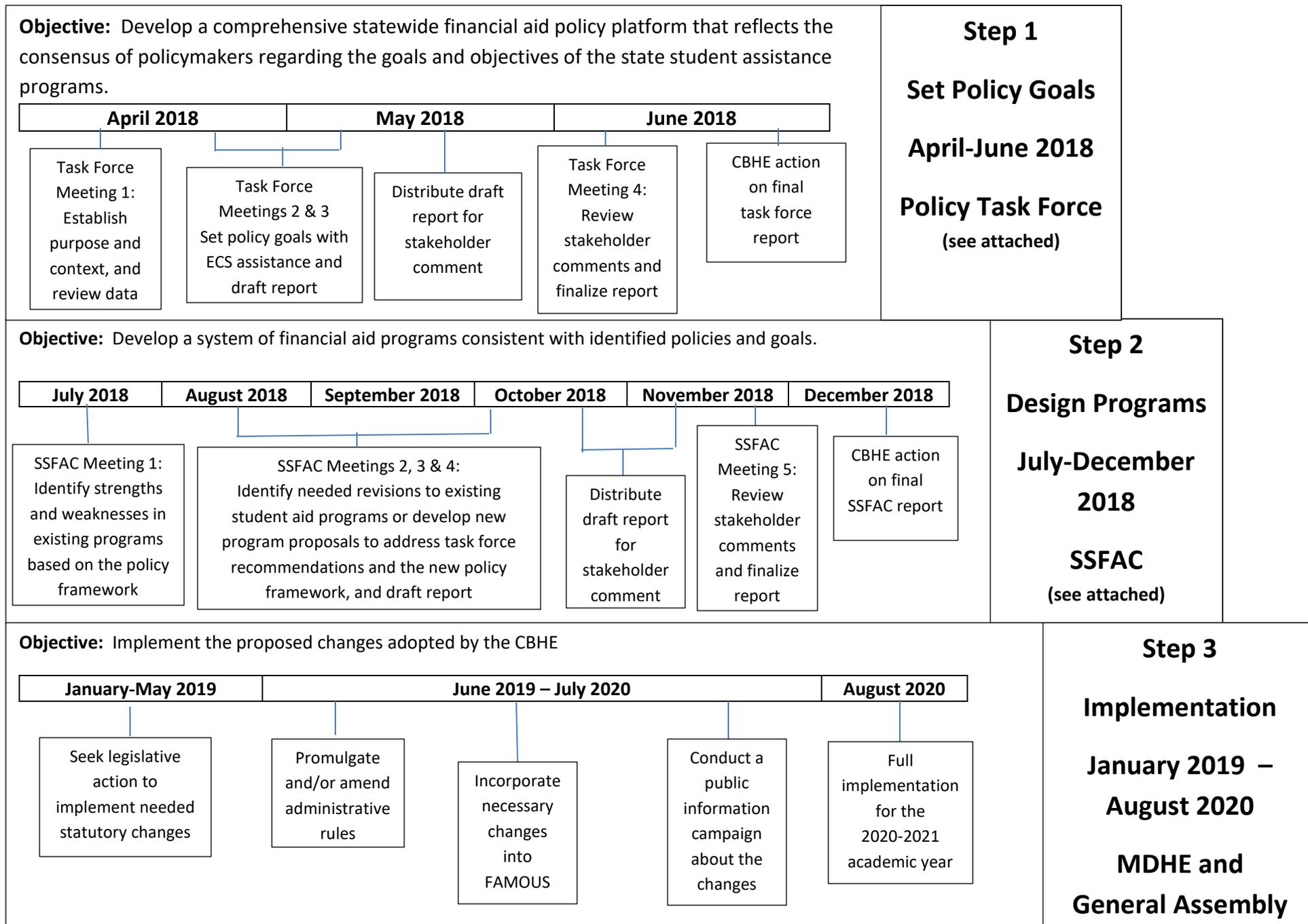
Staff recommends the Coordinating Board for Higher Education approve the proposed financial aid review plan, including the proposed composition of the policy task force and State Student Financial Aid Committee. Staff also recommends the board direct the department to implement the plan immediately upon approval.

ATTACHMENTS

1. Proposed Financial Aid Review Plan
2. Proposed State Student Financial Aid Policy Task Force Composition
3. State Student Financial Aid Policy Task Force Charge
4. Proposed State Student Financial Aid Committee Composition

Tab J Attachment 1: Proposed Financial Aid Review Plan

Mission: Make outcomes-based, goal-driven recommendations for a state student aid system that is balanced in its approach and responsive to student needs while ensuring the efficient and effective use of state funds.



Tab J Attachment 2
Proposed State Student Financial Aid Policy Task Force Composition

This task force will establish broad policy goals for consideration by the Coordinating Board for Higher Education as the policy framework for the development and operation of the state’s student financial assistance programs. In addition to providing guidance to the State Student Financial Aid Committee to consider as part of its review of existing programs, this policy framework should be ongoing in its direction of program operations and future proposals for change.

Constituency	Number of Representatives
Governor’s Office	1
Legislative Leadership	
House	1
Senate	1
MHDE Staff	1
Presidents/Chancellors	
Public 2-Year	2
Public 4-Year	2
Independent	2
Financial Aid Officers	
Public 2-Year	1
Public 4-Year	1
Independent	1
External Constituencies	
Chambers of Commerce	2
Department of Economic Development’s Division of Workforce Development	1
Department of Elementary & Secondary Education’s Division of College & Career Readiness	1
MOHELA	1
MDHE Student Ambassadors	1
SGA Presidents	1
Underrepresented Groups/Advocates	1
Other TBD	2
TOTAL	23

Tab J Attachment 3

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.

Tab J Attachment 4

Proposed State Student Financial Aid Committee Composition

This task force will receive broad policy goals from the State Student Financial Aid Task Force to guide the development of recommendations for revision/replacement of existing state-funded student assistance programs.

Constituency	Number of Representatives
Council on Public Higher Education (COPHE)	4
Missouri Community College Association (MCCA)	4
Independent Colleges and Universities of Missouri (ICUM)	4
Other Independent Colleges and Universities (non-ICUM)	1
Public Professional/Technical Schools	1
Private Professional/Technical Schools	1
Missouri Association of Private Career Colleges and Schools (MAPCCS)	1
MDHE Staff	1
TOTAL	17