State Student Financial Aid Policy Task Force Meeting

May 29, 2018

10:00 a.m. – 3:00 p.m.

Agenda

10:00 – 10:05	Welcome and Introductions
10:05 – 12:00	Review Draft Policy Recommendations
12:00 – 12:45	Lunch
12:45 – 2:45	Policy Framework Review (continued)
2:45 – 3:00	Wrap Up/Next Meeting

Final Decisions

- Consensus
  - A process in which people work together to reach as much agreement as possible.

- Decision rule
  - The criterion a group uses to finalize a decision.
  - Options
    - Unanimity
    - Majority/Super-majority/Other
    - Person in charge

Background

- Questions?
- Comments?
- Suggestions?

Vision

Missouri's state student aid system must be balanced, responsive, and efficient through policies that are student centered, serve eligible students where they are, provide for timely awards, include broad criteria that prioritize need, promote Missouri's postsecondary education and workforce development goals, and result in transparent operations.

Goal

The goal 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
Policy Recommendation 1

- MO grant aid $350 below national average
  - Rank 30th among states
- MO 55% need-based; national 76% need-based
- Lowest income category ($0 to $30,000)
  - 52% of income required to cover net cost
- Highest income category ($110,000 +)
  - 7% of income required for net cost

Policy Framework
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 should be the highest priority.

Policy Framework
Policy Recommendation 2

- Blueprint strategy – raise completion rates of underserved populations

  – Race, ethnicity socio-economic status, gender, disability

- Consider transition from single deadline to multiple deadlines

Policy Framework
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.

Policy Framework
Policy Recommendation 3

- MO student population – 24% above 24 years of age
  - Aid recipients – 10% same age
- Misstated 1st generation
  - No family model of postsecondary education success
- Include broader array of programs
  - Short-term, hybrid, competency-based, other

Policy Framework
Policy Recommendation 3

Missouri's student financial aid portfolio should be designed to assist students who are recent high school graduates (18 to 22 year olds) while also incorporating sufficient flexibility to assist students across the spectrum of lifelong learning regardless of age, prior education, and attendance status.

Policy Framework
Policy Recommendation 4

- Current trend – focus on covering only tuition and fee costs

- Tuition and fee often comprise less than half of total cost of attendance

- WI Study – cost of living at home
  - 75% of low and moderate income purchase food
  - 39% paid rent

Policy Framework
Policy Recommendation 4

Missouri's student aid portfolio should assist students by allowing awards to be used to finance any allowable educational cost (cost of attendance) rather than limit awards based on tuition and fee costs.

Policy Framework
Policy Recommendation 5

- Moving from single focus on access to persistence and completion

- MO aid programs currently require full-time enrollment (12 credit hours)

- Headcount enrollment - 37% less than full-time

  – 54% at community colleges

Policy Framework
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.

Policy Framework
Policy Recommendation 6

- National average bachelor graduate debt - $27,532
  - 57% of graduates borrowed
- State focus should be non-loan aid
- Work/study offers additional options
  - Work experience
  - Deeper field exposure
  - Funding assistance

Policy Framework
Policy Recommendation 6

Missouri should not consider developing state-level student loan programs but instead should focus on programs that provide non-repayable (gift) financial assistance, such as grant, scholarship, and/or state level work/study programs.

Policy Framework
Policy Recommendation 7

- Students face a complex student aid system
  - Parts often function in isolation
- Program awareness/sensitivity will increase impact
- Feds – 56% of all undergraduate aid

Policy Framework
Policy Recommendation 7

Missouri's student financial aid programs should, to the extent possible, take into account student eligibility for federal, non-loan aid, such as the Pell grant, in order to ensure the greatest impact for the state dollars invested in those programs.

Policy Framework
Policy Recommendation 8

- MDHE currently administers 10 student aid programs

- ECS recommendation on consolidation
  - Current mix is not problem
  - Caution regarding expansion of small/targeted programs
  - High administrative needs

- Single adaptable program
  - Simplicity for students
  - Workforce partnerships

Policy Framework
Policy Recommendation 8

Missouri's student aid portfolio should continue to focus on broad-based 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.

Policy Framework
Policy Recommendation 9

- Common point of tension
  - More students/lower awards
  - Higher awards/fewer students
- Need-based awards
  - Maximum student numbers while maintaining impactful awards
- Merit awards
  - Keep the promise

Policy Framework
Policy Recommendation 9

State funded student aid programs should provide awards consistent with the program's goals and structure. 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. Programs designed to reward and retain individuals based on talent or program choice should provide all eligible students with an award that is large enough to accomplish the programs' intended goals.

Policy Framework
Policy Recommendation 10

- Recognize value of early information/awareness programs

- Not good fit for all programs

- Encourage new approaches to connect information and aid programs

Policy Framework
Policy Recommendation 10

Missouri's student financial aid system should incorporate provisions that encourage high school students to engage in activities that demonstrate an understanding of and readiness for postsecondary work.

Policy Framework
Policy Recommendation 11

- MDHE Goal #1 – postsecondary attainment
- Aid programs in two categories
  - Access to system
  - Persistence/completion
- Program flexibility to do both w/o undue barriers for underserved

Policy Framework
Policy Recommendation 11

While different program types support different goals, Missouri's student aid programs should be structured in a way that encourages students to persist to program completion.

Policy Framework
Policy Recommendation 12

- Impact requires better marketing

- Focus on timely and complete information

- Not limited to state aid
  - Academics
  - Success strategies
  - Financial literacy

Policy Framework
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.

Recommended Action

The task force recommends this policy framework 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.

Next Steps

- Policy Document
  - Revised based on today's discussion
  - Distribute to task force, CBHE, and higher education community
- June 4 Meeting
  - Final decision point
  - Face to face or WebEx
- June 7 CBHE Meeting
  - OTC Campus
  - Lincoln Hall, Room 211
  - 9 a.m.