State Student Financial Aid Policy Task Force
April 27, 2018
10:00 a.m. – 3:00 p.m.
Truman Building Room 400
Meeting Minutes

Members in attendance: Jeff Lashley, Roger Drake, Kim Carey, Olivia Wilson, Melissa Findlay, Brian Crouse, Carlos Vargas, Nick Prewett, Alan Byrd, Meredith Naughton, Aimee Bristow, Regina Blackshear, Mardy Leathers, Vicki Schwinke, Dean Dohrman, and Brandon McCoy (by phone)

MDHE Staff in attendance: Leroy Wade, Kelli Reed, Amy Haller, Jeremy Kintzel, Jude Kyoore, and Greta Westerwald (by phone)

Welcome and Introductions
Leroy Wade called the meeting to order at 10:10 a.m. The agenda and an updated membership roster were distributed, and members introduced themselves. The members were thanked for serving and the agenda was reviewed. The task force is needed because Missouri lacks a policy foundation for the state student financial aid programs, which were created ad hoc. The task force will explore which students aren't being served with data at later meetings.

The PowerPoint presentation was covered. A copy of the presentation is attached to these minutes, which supplement the slides.

Logistics
Face to Face Meetings
The next meeting is May 15, 2018. The Education Commission of the States (ECS) will be in attendance to provide information from other states, as well as policy guidelines. There will also be a meeting on May 29, 2018. A fourth meeting, on June 4, 2018 is tentatively scheduled, if needed.

Communications
- *Resource Materials*. MDHE will continue to share materials with the task force and members are encouraged to share helpful items.
- *Surveys/Questionnaires/Dashboard*. These tools have been implemented to facilitate the aggressive timeline, which will be adjusted if needed. Members can expect a new, short survey about once a week. MDHE is committed to sharing the results as soon as possible. MDHE will also develop a web page to keep information organized and the task force informed. The process is intended to be interactive.

- *Feedback on process*. Members commented the surveys are meaningful and a format where context can be given to answers is appreciated.

Background Materials. Background information was provided for a common foundation.

Access Missouri. This is Missouri's primary need-based program. It peaked at about 60,000 students around four years ago, but is now declining. Awards are set at a percentage of the statutory maximum based on the available appropriation.

Discussion: None specific to Access Missouri.

Bright Flight. This is Missouri's primary merit program. The qualifying score may fluctuate because it is based on a percentage, with 100 percentage points spread over 36 scores. Bright Flight peaked at almost 9,000 students, declined, and is now growing again.

Discussion:
- It was asked if there is a correlation between eligibility and affluence in the Bright Flight program. Bright Flight recipients tend to be more affluent and suburban. About one third of Bright Flight students don't file a Free Application for Federal Student Aid (FAFSA), which isn't required, so the data isn't perfect. It is generally assumed those not filing the FAFSA are more affluent but that is impossible to confirm without additional data.
- It was asked if there is data on how many eligible students use Bright Flight. Utilization has been about 70-75 percent over the last decade at the intake level. This percentage is usage at initial eligibility and does not include students who transfer out of state or lose eligibility after their initial enrollment.
- It was asked if there is data to correlate receipt of state aid and entry into the Missouri workforce. Wage and salary data is available but limited, especially for students located on Missouri's borders. Data patterns for Bright Flight indicate a dip right after graduation, driven by jobs and graduate school. However, students typically return to Missouri within six to 10 years after graduation. More specific data can be provided later. The pattern is the same for non-Bright Flight students. However, these are not perfect comparison groups because students who are eligible but don't use the scholarship are hard to track. Instead MDHE has looked at students with near-eligible scores.
- To successfully address the charge, the task force's discussion needs to be at the policy rather than program level. If there is a program that works particularly well, the task

force should focus on the development of a policy foundation that supports the desired approach.

A+. This began as a high school improvement program with a scholarship component. Since the MDHE assumed administration of the program, it has been on an aggressive growth path with a few dips. Growth has been driven by the designation of almost all public high schools, the opening of the program to private high schools, and internal growth. About 350-400 private high school graduates utilized A+ this year, but more growth is expected in the future. There are about 23 applicants this year pending a state board quorum to designate them. Discussion:

- One initial purpose of the program that is often cited was to provide students who would not normally enroll with access to postsecondary education.
- The question was asked if there is data to show A+ has increased the number of postsecondary graduates. While it is not a direct answer to that question, data show A+ recipients do better in terms of persistence and transfer, and their rate of graduation with an Associate's degree is approximately double the rate for non-recipients. Tracking recipients through to a bachelor's degree is trickier because of other intervening factors and the program wasn't designed to encourage four-year degree completion.
- The question was asked if there is a marked difference in populations of eligible and ineligible students. In the past there may have been differences because of variability in high schools seeking and gaining designation as A+ high schools. Because data about A+ eligibility is not comprehensively collected at the student level, we know very little about the reasons for or the impact of ineligibility.
- The question was raised whether it is preparation or award that leads to student success. There is no simple way to separate these two variables to determine the impact of each independently. In all likelihood, the impact is a result of a combination of those factors.
- It was asked what percentage of eligible students don't receive A+ because of Pell. MDHE doesn't have access to that data. In addition, we do not have data on the number of eligible high school students who don't use the scholarship. While the data are somewhat suspect because of reporting issues, the MDHE does request that institutions report how many students receive a zero or reduced A+ award due to receipt of a federal Pell grant.
- It was asked if there is data to show what percentage of A+ students receive an AA, AAS or CTE certificate. This is data MDHE should be able to provide but data about training that is less than a year in length isn't easily available. It was noted it will be important to look at this data for all programs not just A+.
- Funding was discussed. The question was asked if appropriations from existing programs are shifted across programs, resulting in reduced funding for one program in order to maintain funding in other programs. Most funding cuts have been driven by

the economy rather than program priorities. Since A+ is a tuition and fee driven program, program choice has an impact on cost since some programs have lower tuition than others. It was noted benefits have decreased over the years, with books no longer covered. In addition, more stringent requirements, including the completion requirement and 2.0 GPA for initial recipients, have been added to control costs and to prevent students from having unrealistic expectations about their continued eligibility.

Ross-Barnett – This is estimated to be a substantially underfunded program. Because of the decentralized nature of the program, it is not possible to determine how much additional funding would be needed to meet likely demand. Students must be enrolled part-time (6-11 hours) and employed at least 20 hours per week. Less than 200 students receive the scholarship primarily due to funding limitations. In state fiscal year 2012 the General Assembly added flexibility to the appropriation to allow unspent funds from smaller programs to be used for Ross-Barnett. However, growth in the smaller programs has reduced the benefit of this flexibility.

Discussion:
- The question was asked if this scholarship is limited by institution type. It is available at any participating institutions, including independent institutions.
- It was asked if there is data on completion rates for Ross students. MDHE can provide some information but timeframe is an issue since part-time students move through their programs at different paces. It is uncertain whether the data should be based on 6, 8, or 10 year completion rates. In addition, it is hard to differentiate between part-time students who drop and those who temporarily stop out.

Other programs. An explanation of the Advanced Placement (AP) Incentive Grant was requested. This program provides a one-time, $500 award for A+ or Access recipients with two grades of three or higher on a qualifying AP exam. There were about 10 recipients in that program this year.

Combined Impact – 2017. The totals on the slide were reviewed.

Discussion:
- It was asked if data was available on the total amount of federal dollars allocated to state aid. While comparisons of total funding by state have limited value, it may be possible to provide the Pell grant and loans on a per student basis.
- The difference between earlier slides and amounts spent per this slide was questioned. Earlier slides provided the transfer amount. The amount available to spend is typically less as a result of withholdings and the Governor's reserve. However, unspent funds may be carried over for use the following year. There are three amounts for most

programs: the transfer amount, the spending authority amount (which is typically higher than the transfer to accommodate returned funds that are respent), and the actual amount disbursed.

Task Force Charge. The components of the charge to the task force were reviewed. For the first charge, the task force must define balanced, responsive, and efficient so we will know if the task has been accomplished.

For the second charge, the following comments were made about the policies that are to be recommended:
- Balance of need and merit –Striking a balance between these two broad approaches is not a simple task. The basic issue is whether to use state funds to encourage access to populations not currently well served or to reward those students who have excelled academically but are much more likely to have access to postsecondary education. Ultimately, who is not being served is an important policy issue.
- Alignment with Blueprint – It was requested MDHE staff provide information about the blueprint to the task force.
- Two years of free college – While there are genuine concerns about how this might work, its present visibility makes it an issue that must be discussed. Missouri is in a good position in this area as the A+ program matches many of the criteria typically found in "free college" programs.
- Flexibility and inclusiveness – Programs must fit today's students. The large population of "non-traditional" students with different financial needs must be addressed.
- Real-world job experience and skill development - Work-study programs and other options must be considered.
- Promotion of persistence and completion – this is not a clear dichotomy and tough decisions will need to be made. The task force will need to determine what carrots or sticks to use.
- Other issues identified by task force – The list above may not be all inclusive.

For the third charge the task force must look at the current programs from a policy perspective and determine how well they fit within the framework.

Education Commission of the States. The ECS policy principles were reviewed. ECS will provide context around these principles at the next meeting.

Discussion:
- Regarding the first principle, student centered, it was noted the ECS report seemed to indicate direct aid is superior to campus based aid. ECS was probably referring to decentralized states where decisions about state money is allocated based on

institutional goals instead of student driven. ECS can provide clarification at the next meeting. It was also noted campus-based programs allow a financial aid professional to fill gaps for students that general policy misses. It is important to recognize the roles of all players and determine how those roles fit together to meet everyone's needs.

- Regarding the second principle, goal driven and data informed, it was noted Missouri's current state aid programs were developed ad hoc and are hard to measure because they don't have a policy framework behind them. There needs to be broad input on goals from this task force and the State Student Financial Aid Committee. This task force will continue to be involved during the committee's work to ensure we remain on track.
- Regarding the third principle, timely and flexible, it was noted early information about eligibility and awards is needed because late information hurts the ability to change student behavior. Missouri struggles because of the timing of the appropriation process. To address providing funds when they are most needed, pilot projects have been implemented that distribute aid in a pay-check approach that may promote persistence. Program structure will be important in providing flexibility for part-time students and those that may not be able to enroll continuously.
- Regarding the fourth principle, inclusiveness, financial aid should accommodate any course delivery system.

Current Policy Foundation
The information on the slides in this section of the PowerPoint represent MDHE's initial interpretation of the policy foundation for the existing programs. There are some program attributes mixed in with the policy.

Bright Flight. This program encourages the brightest students to attend a postsecondary institution in Missouri. A corollary to that goal is that by remaining in Missouri for their education it would increase the likelihood they will stay in Missouri to work. There is no application for any of our large programs.

Discussion: None specific to Bright Flight.

Access Missouri. This program replaced two different need-based programs, one that served public institutions and one that served private institutions. Although the Access Missouri award is portable, the amount may change if the student transfers to a different institutional sector. Before the 2010 award equalization, the award at private institutions was higher than at public four-year institutions. The FAFSA deadline used to be strictly April 1. The February 1 priority deadline was implemented with the change to the October 1 FAFSA to prevent a severe award decrease.

Discussion:
- It was noted the deadline is disastrous for the underrepresented who are critical to meeting our attainment goal. There is a strong correlation between the missed deadline and lower income students. It was also noted many community college students are late decision makers. In addition, the deadline disproportionally affects first-generation students. Also, the grayness of the priority deadline may be misleading to students. The same is true for Bright Flight approval letters sent to students who qualify in the fourth and fifth percentiles but receive no award because of funding limitations.
- It was suggested a small award could be guaranteed, with remaining funds used for a second round of awards. Financial aid officers have experience with this model since SEOG funds are held for spring transfers. However, there is a trade-off because an increase in the number of eligible students translates to lower award amounts.   It is unclear where the lines should be drawn.
- It was noted education for students and families about deadlines is important.
- Funding for Access Missouri hasn't recovered since 2008 because of the economy and the state's revenue structure.

A+. This program began primarily as a high school improvement program with the scholarship offered as a carrot for school participation as well as for student performance. Now that there is no longer a connection to high school improvement, the program's purpose is uncertain. The purpose, as well as the underlying policy foundation, are guideposts that need to be determined.   The program's eligibility limitations are either policy decisions or program attributes. The 105 percent requirement (for example A+ will reimburse 63 hours for a student enrolled in a 60 hour program) is a policy decision intended to limit payments for remedial coursework.

Discussion: None specific to A+.

Survey Data

The Dashboard for the week of April 23, 2018 that summarized the results of the second survey was distributed. That Dashboard did not include survey responses received after mid-morning on Thursday, April 26. The updated Dashboard will be provided to the task force electronically.

Eligibility Basis – When looking at the top two rankings, need and merit were almost equal, but there is a large separation when the first two ranks are considered individually. Individually,

financial need ranked first. The policy statement was drafted to reflect those results, but some only somewhat agreed with that statement.

Enrollment – Full-time attendance had support, along with on-time completion. There was more division in this draft policy statement than in the need/merit statement. The comments provided should be helpful in adjusting the statement.

Goals – These survey questions related to system goals rather than individual program goals. Access and persistence came to the top. The policy statement had about 80 percent agreement.

Discussion:
- The policy needs to bridge the access/persistence gap.
- Students who are provided access may inherently have barriers to persistence and completion.

Inclusiveness – The 18-24 year old category had broad support in the first survey, although the largest support was in the second rank. However, there was substantial disagreement with the policy statement that attempted to reflect that support so this is an area that will need discussion.

Eligibility/Awards – The survey results indicated programs should take other aid, particularly Pell, into account. Secondarily, policy should focus on covering any educational-related cost. Regarding the policy statement, 90 percent of respondents agreed or somewhat agreed. This issue may need some refinement as we look at it in more detail.

Complete Portfolio – The purpose of this question was to determine the task force's Interest in state level loan programs, similar to other states. The results show this is not a high priority. The survey validates the need for continued exploration of a work-study program. Regarding the policy statement, 90 percent of respondents agreed and 10 percent somewhat agreed, indicating little work is needed on this issue.

Complete Portfolio – The second Complete Portfolio slide includes a high school component statement that didn't have a link to the previous survey. A report prepared for the General Assembly's Joint Committee on Education suggested the A+ high school requirements have positive impact on students by helping to make them aware of opportunities.   The task force needs to consider whether there should be early awareness components tied to awards in other types of programs.

Discussion:

- High school components wouldn't have to be exactly like A+ but early education could keep college preparedness on high school students' radars.

General Comments – The general comments from the first survey were reviewed.

Charge 1 Organizing Activity

The charge was reviewed. The second survey collected short definitions for the first charge's terms of "Balanced," "Efficient," and "Responsive." In the activity, the task force reviewed the results of the last three survey questions to identify common themes and collapse the results into four to six definitions for each term. The shortened list, with the underlying components of each definition, is as follows:

Balanced
- **Need** (combines: need, prioritize financial need, and good proportions – need-based with a merit component)
- **Merit** (combines: expand definition of merit, and merit-based, goal oriented)
- **Meet Students Where They Are** (combines: should include part-time students, more aid for part-time students, part-time and full-time students, more opportunity for the underserved, and traditional-aged and returning adults)
- **Broad Awarding Criteria** (combines: should cover cost of attendance, and broaden awarding criteria)
- **Transparency** (combines: reduction of renewal GPA, different types of aid offered, promote all sectors of HE, same eligibility at all 4 year institutions, both transparency of eligibility definitions, thought out, fair and easily explainable, and simplify criteria and eligibility.
- **Goal Oriented** (combines: closes achievement gaps, representative, access and completion, equity, inclusion, and just)
- Excluded definitions were: fully funded programs and open to many.

Discussion:

- The following areas for additional discussion were identified. In considering these areas the task force needs to think of the system as a whole. In addition, the goals should be framed by the Blueprint for Higher Education, which will be provided to the task force in follow up to this meeting.

    - **The appropriate balance between need and merit**. Given finite resources, the core issue is determining whether the goal is to expand access in order to

educate as many students as possible, or to focus the funding on assisting those meeting certain academic thresholds. It was noted the neediest students don't receive A+ because Pell covers their tuition and fees. It was also noted living arrangements can have an impact on a student's financial need since some students are living at home, some decide to live on campus, while other students are on their own and working part-time. The task force should also consider the correlation between academic preparedness and household income. Federal components should be considered but the push is to completion with limits. Stackable scholarships may be an option.

- o **The appropriate balance between full-time and part-time enrollment.** It was noted if the state is going to reach 60 percent attainment in 2025, the task force needs to look hard at helping non-traditional students. Due to the economy, there are people who need to advance their education but only can attend part-time. However, the three major programs, A+, Access Missouri, and Bright Flight assist only full-time students. The policy must carefully balance the needs of students with encouraging full-time attendance. Creating an economic incentive for part-time attendance could be an unintended consequence.

- o **System goals**. It was noted the end goal is to have a highly skilled, educated workforce. Access is the key to having people from varied backgrounds contribute to society. Student backgrounds are more diverse, including homelessness. The system should be tailored to meet the needs of students where they are now. In addition, given the state's and institutions' limited funding, roles within the system need to be considered. Areas such as workforce development, education, and social services need to do what they each do well in a coordinated effort. Also, the system's goals need to be reviewed periodically to ensure they remain relevant to the state's goals. It was noted how the state is going to support postsecondary education is a piece of a much larger conversation.

Efficient
- **Serves intended students** (combines: income cap for programs, don't forget the middle class, and fair and equitable)
- **Timely** (combines: timely, establish final award amounts earlier, and establish a system that is easier for schools to certify)
- **Data-driven measures/impact** (combines: focus on what data show, data-driven quality control, more accountability/progress reports, measurable goals and objectives, measurable objectives, and effective in moving the needle to the goal)

- **Transparency** (combines: understandable, transparent and communicable, eliminate unnecessarily complex provisions or requirements, simplify criteria and eligibility, easy to navigate, stays consistent for all four years, reduce or refine unnecessary programs)
- Excluded definitions were: organized, fund financial literacy programs, make A+ seamless, improved communications with students, promote funded programs only, and greatest chance to support completion.

Discussion:

- Given the limited resources, the programs need to be aligned to meet the Blueprint for Higher Education's goals while also serving the intended students.
- Efficiency is important in order to ensure we are serving the intended population and achieving the desired outcomes. In looking at means tested benefits, the impact of the Pell program, including where awards in that program end, need to be considered.

Responsive – It was clarified this term includes responsiveness to both students and the state.
- **Timely** (combines: timely notification of eligibility from state, timely awards, timely notification of eligibility from school, student portal for students to confirm eligibility)
- **Student centered** (combines: flexible aid (emergency grants), variety of times/types of assistance available, create more balance between sectors, create self-help programs (i.e. work study), and flexible)
- **Outcome oriented** (combines: promotes degree attainment, informed citizenry and strong workforce, supports life-long learning, accounts for today's students, answering the problems students face, developed specifically for the people in our state, and programs change with state needs)
- **Transparency** (combines: easy to understand, approachable, make program eligibility predictable)
- Excluded definitions were: need based, low administrative cost, make A+ a scholarship program, make A+ non-reimbursable, semester probation for low GPA, and to and through institution.

Discussion:
- The program(s) need to be responsive to student and state needs. They should also be outcome oriented and student centered.

Charge 2d: Program Flexibility

   o   Enrollment. The comments were reviewed.

Discussion:
- Higher education will become more unbundled in the future.
- Old models of 18-22 year old residential students need to be rethought because the environment is changing.
- Some students enroll full-time but not all classes apply to completion requirements. It was also noted some students may be more successful with less than full-time enrollment because of a heavy course load or work schedule. It was suggested the task force consider providing additional flexibility just for independent students, although it is not necessarily a dependent/independent student issue.
- The purpose of financial aid is to change student behavior but the return on investment must be considered as well. A 10 year commitment of funds for part-time students to complete a degree is different than a 4 year commitment for full-time students. It was noted 15 to Finish isn't a viable option for many students, and part-time students with financial aid are graduating. There is return on investment although it is slower. An institutional/state partnership, in which disbursement is rotated between the institution and state annually, or matching dollars are used might be considered. It was asked if there are different ways to show progress that would allow us to better serve part-time students. The task force should look at incentivizing students to go full-time by using multiple funding sources. One option would be to explore industry supplementing students who are close to completing a credential.
- Consideration might be given to stackable credentials instead of ending eligibility after receipt of the first certificate or degree. Bright Flight and Access eligibility ends at a bachelor's degree, and A+ eligibility ends at an associate's degree.
- Bright Flight students have other options so the $3,000 award often isn't enough to keep them in state.
- It was suggested that part-time enrollment be allowed in the Access and A+ programs with the goals of providing need-based aid and encouraging persistence, respectively. Merit programs could require full-time enrollment and there could be more flexibility in other programs.
- How many part-time students finish a degree? As indicated before, data is relatively limited on this subject.
- It was stated that many student attend until they achieve the skills needed to secure a job and then quit.

- The eight or ten semester cap is an interesting piece as we think about enrollment. It was asked what the caps do. They are primarily a policy to control costs, although they also promotes on time completion.

o Inclusiveness. The comments were reviewed.

Discussion:
- The federal government is moving to one loan, one grant, and one work-study program. The question was raised whether it was better policy to have a single, flexible program, or multiple programs to serve different purposes. It was noted one program is simple and can accommodate multiple student scenarios but multiple programs may be more effective in targeting specific student populations. The task force needs to create a policy framework that reflects the diversity in the student population.
- It was noted the average award for Bright Flight is about $2800, for A+ is $2600 - $2700, and for Access is $1400 overall (community college students receive less).
- The purpose of requiring attendance immediately after high school is to keep students moving. However, this isn't possible for all students so timing needs to be considered. In the past, financial aid programs were designed around a traditional model. It was noted it is difficult to put a merit component on non-traditional students because traditional merit indicators (ACT score, high school GPA, etc.) are most impactful shortly after high school graduation.
- There is a residency component inherently built into the Access Missouri and Bright Flight programs, but the questions were asked what residency means for adult students and whether residency really matters, especially if Missouri is concerned about attracting educated and/or skilled workers. It was noted other states might not be as strict on what it takes to be a resident. Missouri is reluctant to fund out-of-state students but we want to attract people to, and keep them in, Missouri to strengthen our economy. A Missouri work component might be a way to address this issue.
- The question was asked if the Western Governor's University (WGU) model of competency based learning could work for Missouri schools and what impact that might have on student aid programs. From a financial aid perspective, credit hours and seat time are meaningless

in some types of CBE programs making the incorporation of the students into the more traditional aid programs difficult.

- The question was asked whether financial aid works with the online delivery format. Financial aid is available for on-line courses.

Charge 2d: Need and Merit. This issue was discussed throughout the meeting. It will be revisited in future meetings.

Wrap Up/Next Meeting

The next meeting will be in Room 500 of the Truman Building on May 15, 2018, and will follow the same format with lunch provided. ECS will speak about their policy principles and will provide a broad perspective on how to strike balance in policy formation. In addition, MDHE is finalizing a contract for data with the National Center for Higher Education Management Systems (NCHEMS).

The meeting adjourned at 3:00 p.m.