

# The Massachusetts Student Financial Aid Study

FAAP Committee | May 2, 2017



MASSACHUSETTS  
Department of  
Higher Education



# The Massachusetts State Financial Aid Study

## *Project Overview*

- “Redesigning State Aid in New England” Initiative, sponsored by the New England Board of Higher Education and funded by The Lumina Foundation
- **Goal:** Produce a set of recommendations for reforming and consolidating state-funded financial aid programs to move the Commonwealth forward on three goals:
  1. Decrease students’ time to earning a postsecondary degree
  2. Close the achievement gap between groups of students
  3. Improve college affordability
- Consultants
  - Prof. Bridget Terry Long, Ph.D.
  - Monnica Chan, Ph.D. Candidate
  - Harvard Graduate School of Education



# The Massachusetts State Financial Aid Study

## *Project Overview*

### **Study Outcomes**

- Analyzes the extent to which current financial aid programs are meeting residents' needs
- Identifies opportunities to create efficiencies
- Identifies opportunities to simplify the aid process for families
- Forecasts future state financial aid needs based on projected demographics and socioeconomic changes



# The Massachusetts State Financial Aid Study

## *Current Aid Portfolio (see handout)*

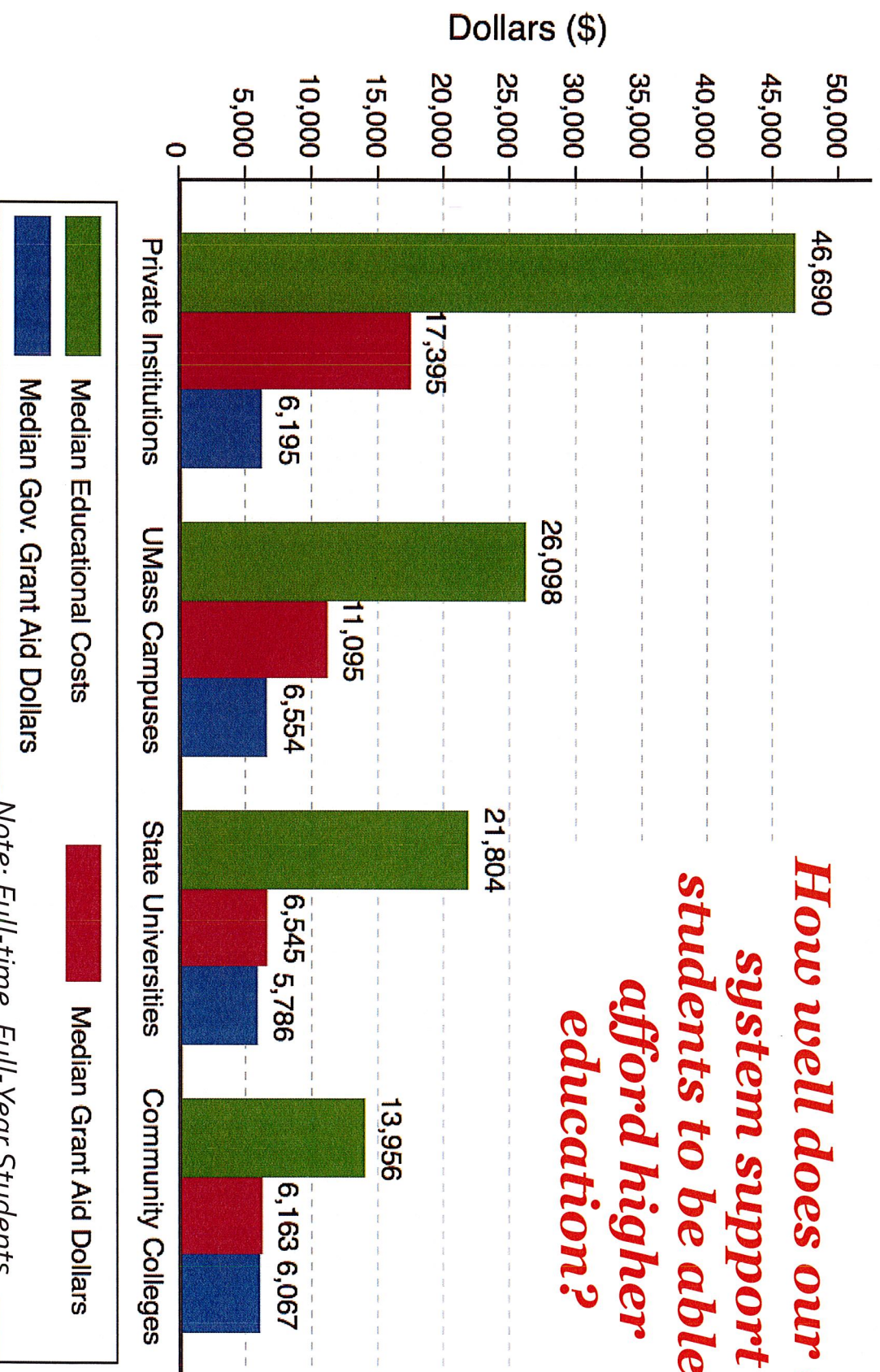
- 31 different state financial aid programs
- Great deal of variation in eligibility requirements, funding sources and administrative oversight
  - Most are funded from the General Fund or Tuition Revenue, but some also receive private matches
  - Many are not Need-based and instead focus on particular group (e.g., teachers, Dept. of Children and Families; Workforce related)
  - Vary in whether they are available at Private Colleges
- In addition to grants, we offer a large number of tuition waivers, which vary by institutional sector
- They add a layer of complexity to the aid system



# The Massachusetts State Financial Aid Study

## Median Educational Costs & Grant Aid, FY2014

*How well does our aid system support students to be able to afford higher education?*

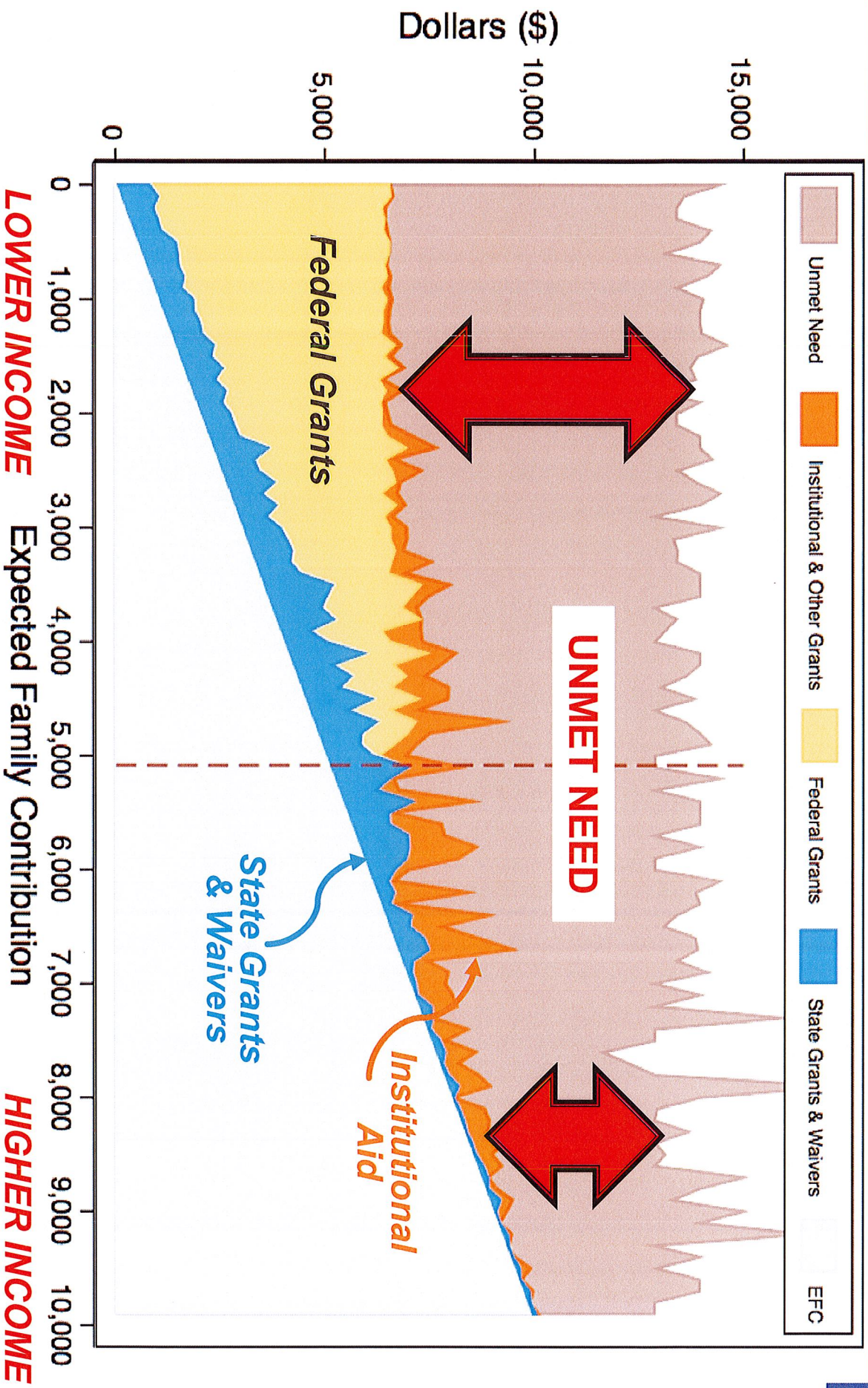




# Median College Costs, Aid Awards, and Unmet Need, FY2014

## Full-time, Full-Year Students

### COMMUNITY COLLEGES

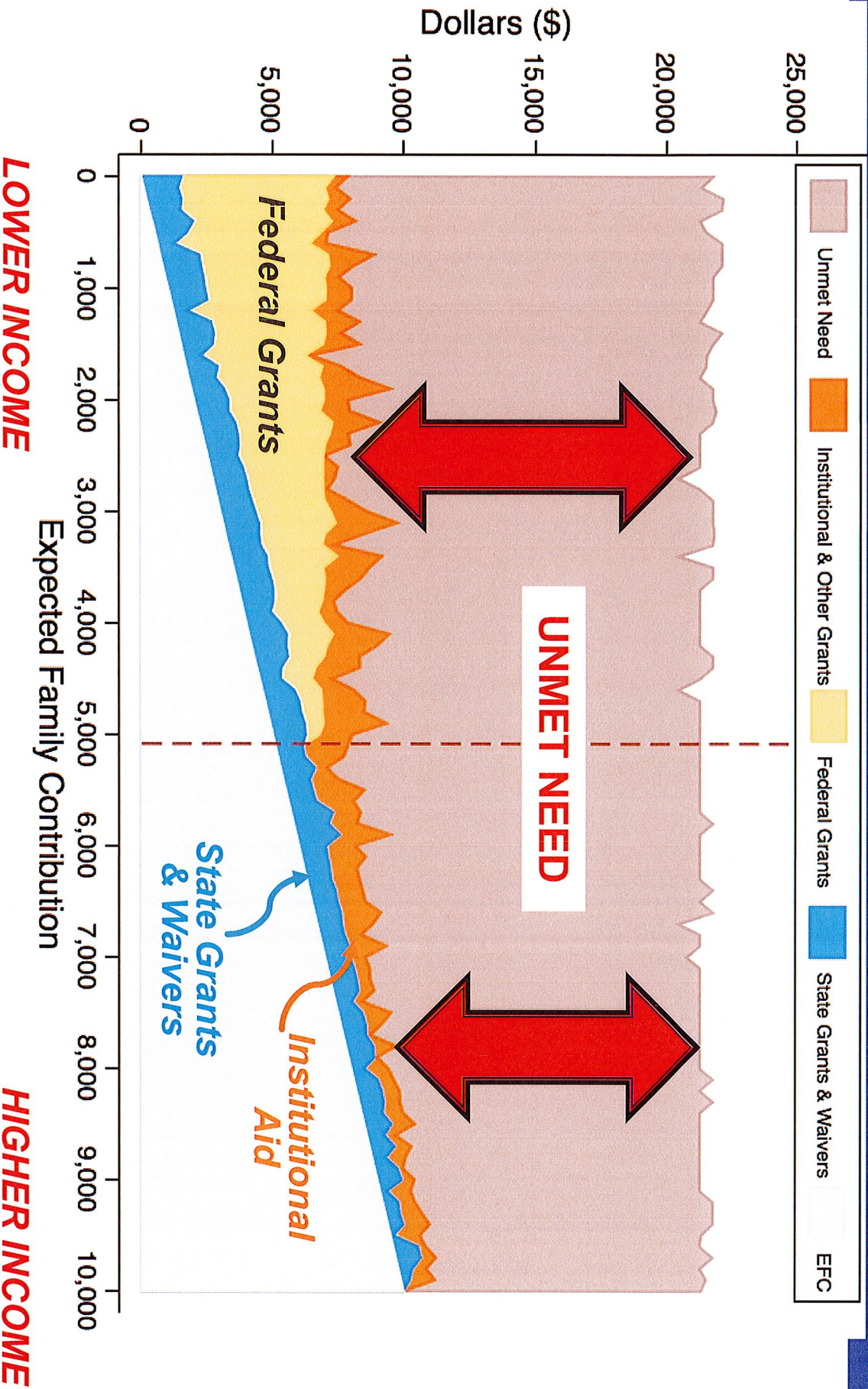




# Median College Costs, Aid Awards, and Unmet Need, FY2014

## Full-time, Full-Year Students

### STATE UNIVERSITIES

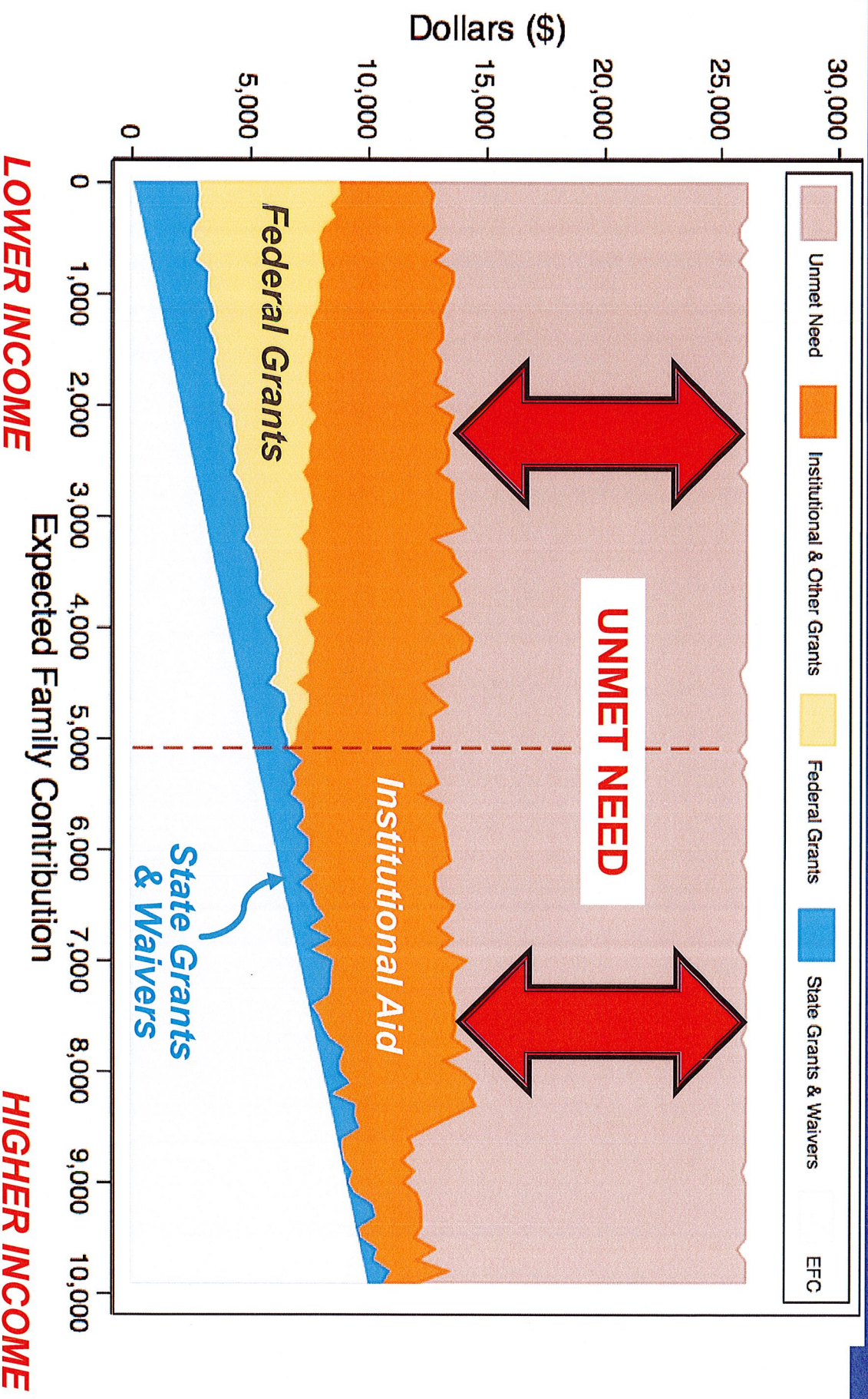




# Median College Costs, Aid Awards, and Unmet Need, FY2014

## Full-time, Full-Year Students

### UMASS SYSTEM

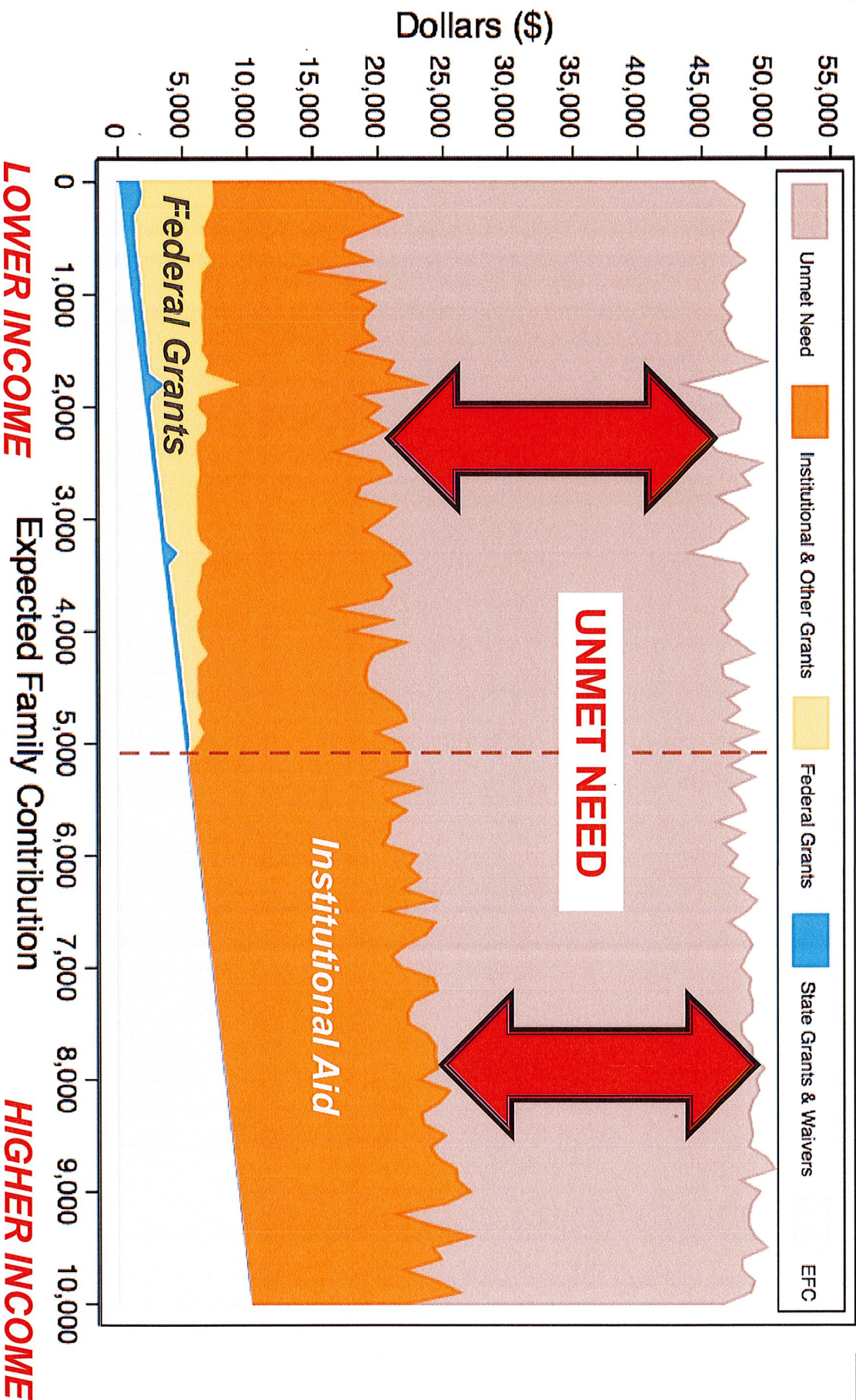




# Median College Costs, Aid Awards, and Unmet Need, FY2014

## Full-time, Full-Year Students

### PRIVATE INSTITUTIONS

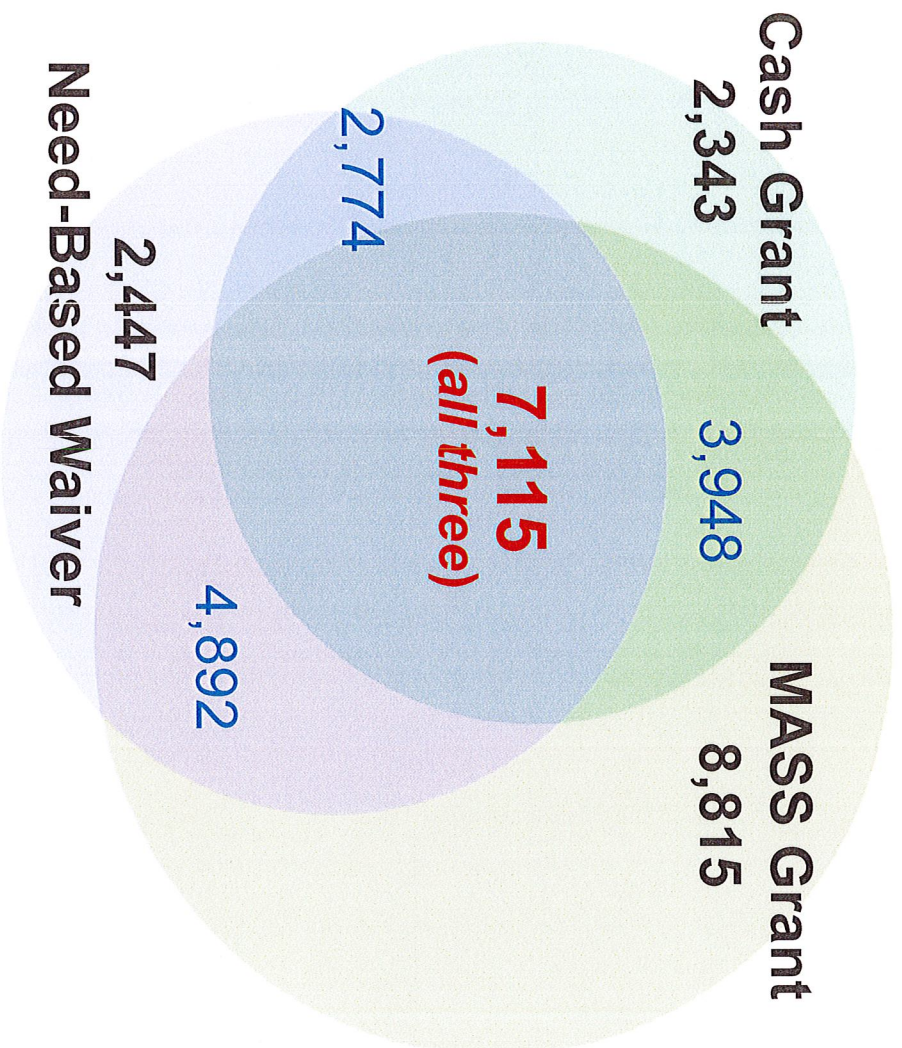




# The Massachusetts State Financial Aid Study

## *Overlap in State Need-Based Grant Awards*

### Public Institutions, FY2014 *Pell-eligible, FT/FY students*



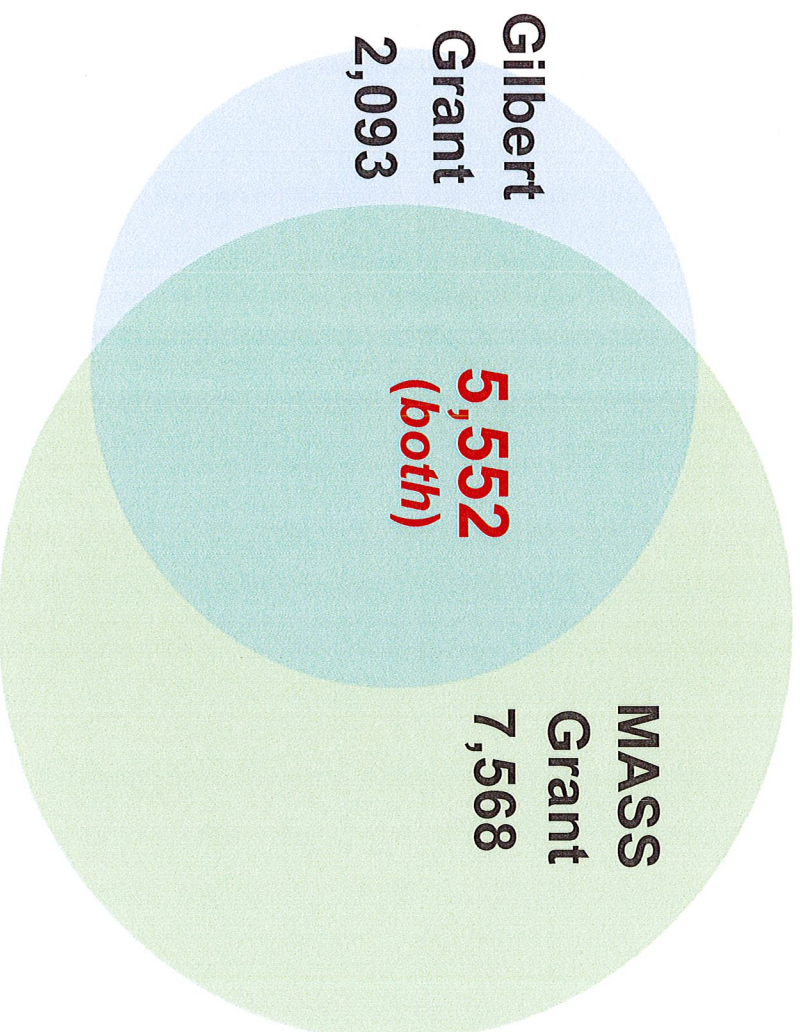
- Among Pell-eligible, FT/FY students enrolled at a public institution, 13% did not receive any of these state need-based aid programs.
- 68% of *Cash Grant* recipients also received a *MASS Grant*.
- 70% of *Need-based Waiver* recipients also received a *MASS Grant*



# The Massachusetts State Financial Aid Study

## Overlap in State Need-Based Grant Awards

### Private Institutions, FY2014 *Pell-eligible, FT/FY students*



- Among all Pell-eligible full-time, full-year students enrolled at a public institution, 18% did not receive the MASS Grant or the Gilbert Grant
- 73% of Gilbert Grant recipients also received a MASS Grant.



# The Massachusetts State Financial Aid Study

## State Aid Portfolios across the Nation, FY2014

NEED-BASED AID						
Total Need-based Grant Dollars				Primary Need Pgm		➤ MA is ranked #25
Amount/ FTE Student	State Rank	Total Need-Based Aid Dispersed	% to Primary Program	Mean per Recipient		
Washington	1	\$366,684,212	83%	\$4,322	➤ #1 spends nearly FIVE times as much per student as MA	
New Jersey	2	\$385,285,704	91%	\$4,810		
New York	3	\$1,020,584,424	92%	\$3,093		
California	4	\$1,671,953,616	100%	\$5,671		
Indiana	5	\$270,443,768	52%	\$2,667		
North Carolina	7	\$326,540,688	69%	\$2,099		
Vermont	12	\$20,430,048	77%	\$1,739	➤ A much smaller fraction of our need-based aid is dispersed through our primary program	
Wisconsin	15	\$126,037,792	63%	\$1,380		
Tennessee	19	\$87,561,408	57%	\$1,542		
South Carolina	22	\$60,641,048	100%	\$1,401		
Colorado	23	\$96,362,152	76%	\$1,271		
Connecticut	24	\$146,708,148	27%	\$4,529		
Massachusetts	25	\$111,633,436	35%	\$652		
Rhode Island	33	\$11,921,059	100%	\$649		

Source: National Association of State Student Grant and Aid Programs (NASSGAP) 45th Annual Survey Data. <sup>12</sup>



# The Massachusetts State Financial Aid Study

## *Study Conclusions*

### ***Opportunities for Improvement***

1. After all sources of financial aid, unmet financial need is still substantial in the Commonwealth (and particularly hard to handle for low-income students)
  - *What is a reasonable amount of unmet need?*
  - *What should be the state role? What should we expect of institutions (both decentralized state aid and institutional resources)?*
  - *Is there a benchmark we should use across institutions?*
2. To improve the aid system, more support is needed, but there may also be ways to be more impactful and efficient with our current funds



# What does the Massachusetts aid system look like to families?

From the OSFA Website...

How difficult is it for a family to navigate our system?

What the tradeoffs from having so many targeted programs?

Could the same goals be accomplished with a simpler approach?

## OFFICE OF Student Financial Assistance

Home > Financial Aid Programs > For Students > For Schools > PCIPP > GEAR UP >

Office of Student Financial Assistance > State Financial Aid Programs

### State Financial Aid Programs

#### Grants

Foster Child Grant  
MAGGrant  
Massachusetts Gilbert Matching Student Grant  
Massachusetts Cash Grant  
Massachusetts Part-Time Grant  
Massachusetts Public Service Grant  
Paraprofessional Teacher Preparation Grant

#### Scholarships

Agnes M. Lindsey Scholarship  
Christian A. Herter Memorial Scholarship  
Early Childhood Educators Scholarship  
GEAR UP Scholarship  
Henry Demand Scholarship Program  
John and Abigail Adams Scholarship  
One Family Inc. Scholarship Program  
Paul Tsongas Scholarship  
Shorelight Global Scholarship Program

#### Tuition Waivers

Career Advancement Program Tuition Waiver  
Categorical Tuition Waiver  
Collaborative Teachers Tuition Waiver  
Commonwealth Hurricane Katrina Emergency Tuition Waiver  
DCF Foster Child Tuition Waiver and Fee Assistance Program  
DCF Adopted Children Tuition Waiver and Fee Assistance Program  
Graduate Tuition Waiver  
High Technology Scholar/Intern Tuition Waiver  
Incentive Program For Aspiring Teachers Tuition Waiver  
MASTRansfer Tuition Waiver Program  
MEFA Prepaid Tuition Program Tuition Waiver  
Need Based Tuition Waiver  
September 11, 2001 Tragedy Tuition Waiver  
Stanley Z. Koplik Certificate of Mastery Tuition Waiver  
UMASS Exchange Program Tuition Waiver  
Valedictorian Program Tuition Waiver  
Washington Center Program Tuition Waiver

#### Loans

Massachusetts No Interest Loan

#### Tuition Reimbursement (Post-Graduation)

Massachusetts Loan Repayment Program for Health Professionals

### STATE FINANCIAL AID PROGRAMS

Quick Guide for Students

Financial Aid Programs

• Grants
• Scholarships
• Tuition Waivers
• Loans
• Tuition Reimbursement (Post-Graduation)

### MASSAID



Log into your account >

### ADDITIONAL RESOURCES

Free Application for Federal Student Aid (FAFSA)
U.S. Department of Education
Massachusetts Educational Financing Authority (MEFA)



# The Massachusetts State Financial Aid Study

## *Study Conclusions*

### ***Should we consolidate some of the aid programs?***

There is significant overlap among multiple programs—  
***could the same goals be reached using a much simpler approach?***

Consolidation could:

- Make administrative oversight easier
- Increase transparency and the ability to publicize what families might expect to receive
- Reduce burden and uncertainty for families



# The Massachusetts State Financial Aid Study

## *Study Conclusions*

### ***Should we consolidate some of the aid programs?***

- Collapse/remove waivers that have not been used in recent years
- Examine one-off programs — Could they be folded into larger program and accomplish the same goals?
- Consolidate need-based aid programs to build a singular, more progressive aid program (similar to other states)
- In communications (e.g., the website), prioritize the larger programs and make sure they are highly visible (smaller programs should be listed at the bottom)



# The Massachusetts State Financial Aid Study

## *Study Conclusions*

### ***Other Issues to Consider***

#### ***Grants ≠ Tuition Waivers***

- Differential impact on student decisions?
- Anticipate changes to tuition retention policies by reconsidering tuition waiver programs and associated state statutes

#### ***Piloting other Ideas?***

- E.g., Lessons from other aid programs/states
- Must balance with unmet need that already exists



# The Massachusetts State Financial Aid Study

## *Next Steps*

- Share study results over the next 3-4 months with the campuses
- Collect feedback
- Bring recommendations for new financial aid policy and related modifications to BHE in the fall
- Implementation of any approved changes would become effective for the 2018-2019 academic year



# The Massachusetts State Financial Aid Study *Discussion*

## ***Questions?***