Students, Finance & Completion

INSIDE HIGHER ED

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Connecting What Matters

If you're a technology adopter, you probably grew up with phone books and newspapers rather than search engines and tablets. Fortunately, these days there are plenty of technology natives among us who can download apps, update devices, and generally help navigate the roadblocks of modern life.

The majority of today's college students clearly fall into the technology native category. And since they already do everything from their mobile devices, they naturally expect the same technology experience when they reach campus. They don't carry wallets, and they've never had a checkbook. Mobile is how they pay, order food, find rides, and book vacations.

In response to students' high-tech, mobile-first expectations, schools are moving everything from enrollment to dining hall payments to dorm access and more to their phones, turning them into sources of campuswide commerce as well as credentials and access. From keyless building entry to cardless payments for parking, bookstores, and daily transportation, mobile is the single point of access to campus life.

Once students begin to use their credentials for payments, class check-ins, recreation center access, and on-campus meals, they leave invisible digital trails. Schools can follow these trails to assess everything from the hottest-selling items in the dining hall to a student's level of engagement. Armed with these insights, schools run more efficiently, and administrators can identify trends that enable them to address potential problems early. So not only do students benefit from the convenience of handling daily tasks on their phones, the actionable data these transactions produce allow the school to provide a better student experience.

Why is ensuring a good student experience so important? Prestigious schools are already quantifying the connection between great experiences and success in college with engagement rankings. These rankings are tangible proof that positive student experiences on campus factor into better retention, higher graduation rates, and career success.

As I talk to schools around the country, it's clear to me that however you quantify or define them, today's college students have their own priorities, capabilities, and expectations. Their ideal experience is different from their parents or even their older brothers and sisters, but the path to providing those positive experiences is pretty straightforward; advancements that make everyday tasks seamless and simple are the ones that resonate with students. They're also the technologies that are likely to keep students coming back semester after semester.

When institutions connect the right technology with people campuswide, everyone benefits. Students who enjoy a holistic college experience are more marketable in today's workforce, while technology-empowered schools see improved student retention rates and produce graduates who are well-suited to tackle the challenges this century is likely to bring. And that's connecting what matters.

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Introduction

College completion is not just an educational matter, but a financial one as well. To be sure, some students have difficulty earning good grades or advancing into desired majors. But study after study links the ability of students to finance their college educations to their chances of completion.

The issues play out in different ways for students of various socioeconomic groups. But these issues matter at open access institutions that serve non-traditional students and competitive admissions colleges with residential student bodies. College leaders are increasingly aware that a key part of their retention strategy must include a focus on students' financial challenges.

The articles in this compilation explore some of the ways that financial issues hinder student progress — and some of the strategies for use by colleges and the government to help students. *Inside Higher Ed* will continue to track these issues. We welcome your comments on this booklet and your ideas for future coverage.

--The Editors
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News

A selection of articles by *Inside Higher Ed* reporters

Debates Differ on Completion Incentives

BY ASHLEY A. SMITH // AUGUST 1, 2018

A growing number of states are experimenting with different ways to encourage students to take more credits.

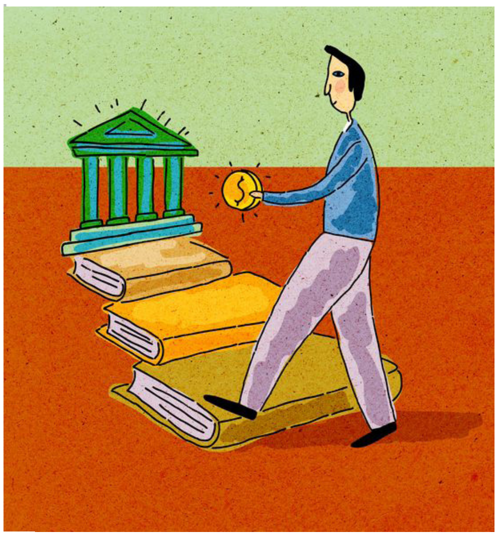
There is little disagreement that the more courses students take each semester, the more likely they are to graduate on time, but much debate has centered on how to encourage students in that direction.

In California, the Legislature's recently passed budget is offering one of the largest incentives seen across the country. Qualified community college students can receive a grant of up to $4,000 a year if they take 15 units or more.

The new program, known as the Student Success Completion Grant, is an expansion of two existing programs, which awarded qualified students $1,000 a year for enrolling in 12 or more credits each semester and $2,000 a year if they took more than 15 credits each semester.

Like the two previous programs, the new completion grant is available to qualified students who receive one of two types of Cal Grants, the state's financial aid award. These awards help students cover nontuition costs like books, transportation and other living expenses.

The expanded incentive to encourage students to take more credits effectively attempts to eliminate the need for these students to work. Currently, most of the state's two-year system students are attending part-time, with 21 percent of students going full-time and taking between 12 and 14 credits and 8 percent taking 15 or more, according to state data.



In California, 38 percent of full-time students complete a certificate, degree or transfer, whereas 12 percent of part-time students do so, so they're three times more likely to complete if they go full-time, said Kevin Cook, associate center director at the Public Policy Institute of California.

Although the grant is an increase in money to students, there are still many two-year students who don't receive enough of it. For instance, last year the system served about 2.3 million students, but only 112,000 of them qualified for the type of Cal Grants that go to low-income and older students, according to a system representative. Cal Grants generally target recent high school graduates.

"We know the data is fairly incontrovertible," said Jonathan Lightman, executive director of the Faculty Association of California Community Colleges. "If you go full-time, your chances for success as measured by degree or certificate completion go up. No one disputes that, but for whom is the community college is the question."

Lightman said the system would be better served by examining and investing in the needs of the adult population and those students who have no choice but to go part-time because of work and family responsibilities.

About 21 percent of students over age 25 took between 12 and 14 credits last year, while 17 percent took more than 15 credits and the rest took fewer credits. "You're spending more money on a very limited percentage of the population," Lightman said. "If you say the community college is open to the community, then you have to figure out the strategies to meet people where they're at. We're not going to get people in an older demographic -- the [25-year-old plus] -- to go full-time."

> If you go full-time, your chances for success as measured by degree or certificate completion go up. No one disputes that, but for whom is the community college is the question.

In recent years, financial incentives that encourage students to attend full-time have become more common as research and analysis of such programs has more often shown positive impacts.

For instance, in Indiana, 38.5 percent of the state's college students graduate from the same institution within four years with a bachelor's degree or two years with an associate degree or certificate -- a 13.9 percentage point increase over the past five years, according to a 2018 Indiana Commission for Higher Education completion report. Indiana has had a 15 to Finish initiative that requires students to take at least 30 credits a year to maintain state aid since 2013.

In Nevada, the state covers a portion of the full cost of attendance, up to $5,500, for low-income students if they enroll in at least 15 credit hours.

Meanwhile, Congress is considering incentivizing faster completion in the PROSPER Act, which would offer students $300 more in federal aid once they cross the 15-credit-hour threshold.

"There is support on both sides of the aisle to get students through as quickly as possible," said Justin Draeger, president and chief executive officer of the National Association of Student Financial Aid Administrators, adding that the dissension comes from how to do it. For instance, Democrats voted against the $300 incentive while Republicans supported it.

"Using carrots as an incentive instead of sticks is the preferred way of incentivizing, and we're OK and supportive of the PROSPER Act's attempt to get students to complete on time," Draeger said, adding that the group wouldn't support any financial penalty against students who don't take more credits.

Penalizing students for not taking more credits was one of the reasons why a completion incentive in Tennessee failed to pass the state's Legislature in April. The completion bill would have required students in the state's free community college program and state lottery scholarship program to lose up to $250 a semester or $500 a year if they failed to complete 30 credit hours a year.

Claude Presnell, president of the Tennessee Independent Colleges and Universities Association, said he and his members opposed the incentive because it punished students.

"We're all about completion, but we want to do it in a way that incentivizes students in a positive way and gives credit to students taking rigorous course work," he said.

Students already must maintain a 3.0 GPA for the lottery scholarship, but a biology, chemistry or fine arts major who is taking a recommended 12 credit hours a semester -- because the course load is rigorous -- could lose $500 for not reaching the 30-annual-credits threshold, Presnell said.

Instead, Presnell said a more positive approach would have been to encourage students to go full-time and award them $500 to take the additional courses in the summer that would help them reach the 30-credit threshold.

A similar policy debuted at Alamo Colleges in Texas two years ago -- it awarded students up to six free credit hours if they earned a total of 24 credits in the fall and spring semesters.

"If you're in fine arts, you can't take 30 studio hours in a year without killing yourself, so let's do completion with some flexibility," he said. ■

https://www.insidehighered.com/news/2018/08/01/more-states-experiment-incentivizing-completion

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Tackling Poverty to Increase Graduations

BY ASHLEY A. SMITH // OCTOBER 3, 2018

A growing number of colleges are trying to help poor students meet their basic needs and remove barriers that keep them from graduating.

PHILADELPHIA -- Amarillo College president Russell Lowery-Hart and his staff frequently talk about a young woman called Maria.

Maria is a first-generation student at the Texas community college. She is a racial minority who attends Amarillo part-time, receives financial aid and is focused on eventually transferring to a university. But she struggles to make ends meet and, without intervention, her financial challenges may derail those plans.

She also is not a real person.

Maria is representative of many of the students at Amarillo College. Those students are at the heart of a policy adopted by Lowery-Hart to combat the negative effects of poverty on students and their academic outcomes. So far, the "No Excuses" policy, which he started in 2014 when he became president of the college, is helping improve completion rates.

"Our job is not to fix students, it's to fix ourselves," he said. "At Amarillo, we've adopted a no-excuses philosophy. No matter what is causing our students to taste failure, they are not responsible for it. We are."

HungerU, a free traveling exhibit that raises awareness of food insecurity on college campuses

By "failure," he means the thousands of Amarillo students who don't graduate or move on to four-year institutions because they're tripped up by need --- not having enough food to eat, not having adequate housing, not having enough money or financial support from family to pay the costs associated with college that are not covered by financial aid. Some 72 percent of Amarillo students have at least one basic need -- 59 percent are housing insecure, 54 percent are food insecure and 11 percent have experienced homelessness in the past year, according to a survey.

Amarillo established an Advocacy

and Resource Center on its campus last year to centralize the college's efforts to tackle poverty. The center is a one-stop shop for students to access emergency aid and social services and find resources for their childcare needs. It also has a free food pantry and clothing bank.

"If a student is failing, it's because we didn't have the right process and policy or person in place," Lowery-Hart said.

Amarillo is not the only college attempting to help students meet their basic needs. Lowery-Hart was joined by more than 550 faculty members, college presidents, foundations and students in Philadelphia last weekend at the second annual Real College conference at Temple University, where they discussed ways to address student poverty on campuses across the country.

The conference is the brainchild of Sara Goldrick-Rab, a professor of higher education policy and sociology at Temple University and founder of the Hope Center for College, Community and Justice, which also launched during the conference.

The Hope Center will continue the research originally started by Goldrick-Rab at the University of Wisconsin at Madison to study poverty among college students and find solutions to help them.

"I hope we don't need a Real College in 10 years, because we will have solved hunger and homelessness on our campuses," she said.

Goldrick-Rab said by addressing food and housing insecurity among college students, educators can focus more on the academic barriers that prevent students from graduating.

Karen Stout, president and chief executive officer of Achieving the Dream, a student success organization, said there is still debate in academic circles over whether colleges should even be responsible for helping students meet basic needs.

But she said that viewpoint is changing as more people become aware of the extent of housing and food insecurity among college students. A study released last year by the Urban Institute found about 13 percent of community college students experienced food insecurity in 2015, although other studies indicated the rate may be much higher.

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There is growing national awareness of the issue, including among policy makers. A group of Democratic senators has asked the Government Accountability Office to conduct a study on the scope of hunger and poverty on college campuses. That study is still ongoing. And a couple of documentary film crews also attended the conference as part of upcoming special reports about college students living in poverty.

Jee Hang Lee, vice president for public policy and external relations at the Association of Community College Trustees, said college administrators should advocate for Congress to increase funding to various existing federal programs that can help alleviate student poverty.

He noted that Congress approved an increase in appropriations in March for a federal program that provides grants to college students with children for childcare services on campus. More funding for the federal work-study program would also help low-income students, he said.

Stout said tackling student poverty to help students graduate has important long-term implications.

"It's about creating economic mobility," she said. "Colleges should be thinking more of completion as an upward mobility from poverty effort as much as it is an educational attainment effort."

Stout said much of the discussion on meeting the basic and social needs of students is new territory for many college leaders more familiar with discussing academia or talking to employers about the work-force needs in their communities than about students not having enough to eat.

"We're not used to talking to community-based organizations or going to local government agencies that deal with public benefits," she said. "It's a whole new world and a whole new vocabulary."

Colleges are used to asking students about their personal demographic information such as race, age or gender. But college administrators now need to dig deeper and find out if a person is a first-generation college student, a single mother, a part-time worker or an ex-convict if they truly want to help them complete college, Stout said.

And college leaders can't ignore the effects of race, ethnicity and gender identity on students' social and financial status, said DeRionne Pollard, president of Montgomery College in Maryland.

"We have to be particularly aware of what our students present to us and what they bring forward when they come to us in our classrooms and organizations," Pollard said. "Students will not thrive and learn from an organization that ignores the complexities of intersections."

Once Amarillo started connecting students to the services they needed -- childcare, legal services, housing, transportation, emergency aid to pay for utilities -- they found those students were more likely to continue their education at the college instead of dropping out.

Of the 86 percent of Amarillo students who received services through the college's Advocacy and Resource Center, 69 percent continued their education at the college. Only 33 percent of the students who did not receive services through the center remained at the college, according to the college's data.

The three-year completion rate at the college has also increased from 26 percent in 2012 to 45 percent in 2017, according to the Hope Lab.

Cara Crowley, vice president of strategic initiatives at Amarillo, said the college targets students early by looking at their financial aid information and sending emails to those who have an annual income below $19,000 to let them know about available social services.

The college also relies on social workers to provide case management services and connect students to resources that already exist in the community.

"Our social workers help move them through that system and keep them in school," Crowley said, adding that since 2012 the college has spent about $300,000 from its charitable foundation to help students meet basic needs, which are predominantly housing.

"If you provide that assistance and keep them in school, there is a financial benefit for the college in overwhelmingly higher rates in retention and persistence." ■

https://www.insidehighered.com/news/2018/10/03/college-administrators-meet-find-solutions-reduce-student-poverty

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The Link Between Completion and Loan Repayment

BY ANDREW KREIGHBAUM // AUGUST 8, 2018

Report underlines how program completion can determine whether a borrower will make progress paying down loans. Program type also plays a large factor, with many graduates of certificate programs concentrated in the for-profit sector struggling to pay down debt.

Many students who leave college with debt feel the burden of paying back their student loans long after their last class or visit to campus. But students who never actually complete a degree or postsecondary certificate bear that burden for much longer.

A report released Wednesday by Third Way, a center-left think tank, finds that students who complete a degree or certificate are 20 percentage points more likely to begin paying down their loan principal than noncompleters in each year after leaving campus.

More than half of students who enter a postsecondary institution leave without any sort of degree or credential. The findings from the report show big consequences for the ability of those students to repay their loans. The report also indicates that students who attended for-profit programs are likely to struggle putting a dent in their loans whether they graduated or not.

Across all higher ed institutions, Third Way found completers one year after leaving college are more likely to start paying off their loan principal than noncompleters are in year seven after leaving a postsecondary program.

Loan repayment rates are also dictated to a large degree by the type of program that a student borrower attended, the report finds. Students who attended and completed a four-year degree are 18 percent more likely to begin paying down their loan principal than are graduates of two-year programs one year after finishing and 28 percent more likely than students who completed a certificate program. That's despite holding on average a significantly higher amount of student loan debt.

Community colleges and two-year institutions have some of the lowest graduation rates. But completing a degree pays big dividends for students at those colleges. More than two-thirds of graduates of two-year institutions have begun paying down their loan principal in year seven after graduating. But more than half of borrowers who drop out will eventually accrue interest on their debt and end up owing more than their original loan balance over the same time period.

Michael Itzkowitz, the author of the report and a senior fellow at Third Way, said college completion should be a main focus of accountability provisions in a future reauthorization of the Higher Education Act.

"These data make clear that it's a main driver of students being able to begin the process of paying down their loans over time," he said. "That not only serves students well but also helps protect the massive taxpayer investment that goes into higher education every single year."

Itzkowitz said institutions respond to the benchmarks they're measured on. And right now they face no real accountability beyond a largely ineffective cohort default rate benchmark.

"In fact, we have dozens of institutions with graduation rates less than 10 percent," he said. "However, they continue to remain fully accredited and funded by the federal government."

The report finds troubling outcomes, though, even for graduates of certificate programs. Less than half of borrowers who complete a certificate program have begun paying down their loan balance seven years after graduating -- indicating that those students didn't land a salary high enough to justify their investment.

Those programs are concentrated in the for-profit college sector, which has similar overall outcomes. At for-profit institutions, 48 percent of graduates owe more than they originally took out in student loans seven years after graduating.

"We can see there are a number of institutions that leave their graduates in horrible shape even years after they've completed their program of study," Itzkowitz said.

Researchers who study higher education outcomes said the report supports other recent research finding similar correlations between college completion and loan repayment.

"These findings speak to the importance of a continued focus on student success and degree completion within our nation's colleges," said Angela Boatman, an assistant professor of public policy and higher education at Vanderbilt University. "Policy makers must continue to provide support for institutional and statewide efforts aimed at reducing financial, academic and informational barriers for college students, thereby increasing degree completion and lowering loan default rates."

Douglas Webber, an associate professor of economics who studies higher education at Temple University, said the findings of the report, while not surprising, highlight the enormous importance of finishing college.

"What I tell students today is that I would much rather be a college graduate with $50,000 in debt than a dropout with $10,000 in debt," he said.

Webber said the biggest remaining unanswered questions on completion and loan repayment have to do with differences between higher ed sectors as well as the impact of institutional versus student factors -- for example, how much are differences in repayment due to the quality of an education and resources available to students versus factors like family background.

"Recent work has shown pretty convincingly in my opinion that there are causal differences across schools in terms of a number of student outcomes such as earnings," he said. "While these likely translate into repayment rates to some degree, a large part of the differences are undoubtedly due to factors like family resources." ■

https://www.insidehighered.com/news/2018/08/08/link-between-college-completion-and-student-loan-repayment

New Tool for FAFSA Completion

BY ANDREW KREIGHBAUM // OCTOBER 3, 2018

Advocates hope new myStudentAid mobile app will mean more applicants finish the FAFSA.

Students seeking financial aid for college can encounter any number of obstacles to completing the Free Application for Federal Student Aid, or FAFSA. The application, which includes more than 100 questions, can be daunting, and students may need assistance answering even basic questions.

And sometimes they just don't have access to a computer to complete the application.

College-access advocates hope a new mobile student aid app launched by the Education Department this week will remove one barrier to financial aid by allowing applicants to access the FAFSA on their smartphone.

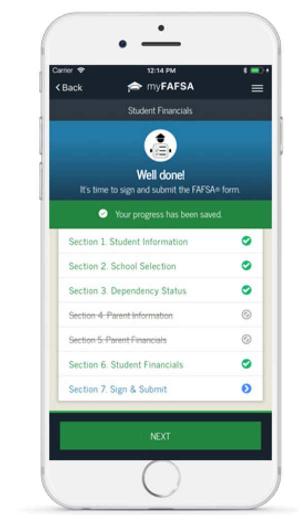
"Students live on their phones, as we all know," said Sujuan Boutté, executive director of the Louisiana Office of Student Financial Assistance.

Student aid professionals say the biggest measure of the app's impact will be whether it leads to an increase in the FAFSA completion rate. But they're also balancing excitement about the app with realism over the challenges still facing many students most in need of federal aid.

The Trump administration announced plans last year to develop the mobile app -- part of a broader overhaul it envisions for the student experience from seeking aid to repaying loans. In a statement heralding the app's release, Education Secretary Betsy DeVos said students will have even greater access to information about colleges they're applying to and information about their financial future.

The Education Department released an unfinished "beta" version of the myStudentAid app in July. The final version that launched this week lets students navigate the FAFSA one question at a time, allows parents to separately enter their own income information for one or more students and displays College Scorecard data for comparisons of multiple colleges.

"Our ultimate measure will be if we see increase in FAFSA com-



pletion," said Kim Cook, executive director of the National College Access Network, of assessing the app's impact. "We hope that a mobile platform is more accessible to students so more students will check out FAFSA and complete it."

A new report released by the National College Access Network shows that students who need financial support the most to attend college continue to struggle the most with completing the application. The group examined completion rates at the school-district level and found that the greater the share of children living in poverty, the lower the FAFSA completion rate for graduating high school seniors.

Ellie Bruecker, a doctoral student in Educational Leadership & Policy Analysis at the University of Wisconsin Madison, said she expects higher filing rates for the 2019-20 award cycle, which started Oct. 1. But that's because of ongoing efforts in local school districts and states like Louisiana, which last year began requiring all high school seniors to complete the application.

"I'd guess you'll see some schools and their college counselors advertise the app as an easy way to complete the FAFSA, but I think that's just part of the larger push to get more students to file and will likely happen in schools that are already making these efforts," she said.

Bruecker said she doesn't expect the mobile app to move the needle for FAFSA completion among low-income students and students of color -- those who are most in need of federal assistance. Low-income adults and black adults are slightly less likely to own a smartphone, according to Pew data. And Bruecker noted that the FAFSA mobile app so far is only available in English.

Justin Draeger, president and CEO of the National Association of Student Financial Aid Administrators, said the mobile app is best viewed as one of several steps the Education Department has taken in recent years to incrementally improve the application process.

Earlier, it helped create the IRS data retrieval tool, which allows applicants to automatically import family tax data into their FAFSA application. And in 2016, it moved the beginning of the federal financial aid cycle up two months so that students could start the process earlier in the year.

"I think we've made a lot of progress on the FAFSA over the last decade," Draeger said. "This is just another step in the right direction and I totally applaud them for that."

Boutté of the Louisiana Office of Student Financial Assistance said the mobile app is another tool for advisers helping students navigate the financial aid process. She said students and their advocates should keep in mind it's just the beginning of a process that should include choosing the institution that's the best fit for them.

"It's another option, and really, anything that makes the FAFSA more accessible in the minds of our students -- for us, that's a win," she said. ■

https://www.insidehighered.com/news/2018/10/03/fafsa-launches-mobile-app-start-2019-20-award-year

Income Verification for Federal Aid Hinders Low-Income Students

BY ASHLEY A. SMITH // OCTOBER 12, 2018

Colleges worry the federal student aid verification process singles out more low-income students and may be stopping them from receiving grants.

Many scholarships, grants and other financial assistance given to low-income college students are usually offered on the premise that those students are already receiving federal aid to help pay tuition.

But a growing number of colleges are finding more low-income students are being flagged by the Department of Education during the bureaucratic process of verifying income eligibility for federal aid, and that those students are not completing the application process as a result. College administrators are concerned that much-needed aid is being left on the table by frustrated and discouraged students who've given up on the cumbersome process of applying for financial aid.

Financial aid experts call this retreat "verification melt," and many college administrators fear their neediest students may ruin their chances of earning college degrees and improving their long-term economic prospects.

"How many times does a student or parent have to repeatedly prove they are poor?" Michael Bennett, associate vice president of financial assistance services at St. Petersburg College in Florida, said in an email. "Verification for our lowest-income students is a barrier to access, and when aid is delayed because of excessive verification, access may be denied. Is this what we want?"

The Department of Education sets out to verify the eligibility of about 30 percent of all federal aid applicants during each application cycle for the Free Application for Federal Student Aid, commonly referred to as FAFSA. The department reached that goal in 2017. Approximately 27 percent of applicants were selected for verification this year.

It's not clear how many of those selected applicants claimed a zero "expected family contribution," or $0 EFC, to help pay for college. Department officials would not discuss the specifics of the verification algorithm with *Inside Higher Ed*, and there were no data available from the department that were specific to students who have a $0 EFC. However, financial aid administrators are seeing increases in the numbers of low-income students that are being selected for verification.

Karen McCarthy, a director of policy analysis at the National Association of Student Financial Aid Administrators, said the Education Department has traditionally been hesitant to publish data on the number of students with the lowest expected family contributions selected for verification.

"Verification selection has hovered around 30 percent, which we maintain is higher than it needs to be for FAFSA completion," she said.

McCarthy said it's more common for low-income students to be selected for verification than students who are not eligible for federal student aid. This may eventually change now that the Education Department is using a new verification computing model for the 2019-20 cycle that is expected to be more effective at targeting applicants for verification, according to department officials.

In the interim, however, low-income students appeared to be disproportionally singled out for verification. At St. Petersburg, where the two-year institution has a significant number of nontraditional and first-generation students, Bennett said 37 percent of students, on average, were selected for verification over five years. Forty-seven percent of students eligible for Pell Grants, the primary federal need-based aid, were also selected from 2015 through this year.

The number of $0 EFC students selected for verification increased at the college from 40.1 percent in 2017 to 50.2 percent in 2018. The five-year average for applicants with a $0 EFC is 36 percent and 8 percent for non-Pell-eligible students, Bennett said.

"I understand the need to be good stewards of Pell Grant funds," he said. "My sense is a closer collaboration between campus aid practitioners and department staff could reduce the current verification burden."

Northern Virginia Community College also had slight increases in students selected for verification. In 2017, 8,660 students with $0 EFC were selected for verification, or about 21 percent of all FAFSA applicants, compared to 7,526 students -- 18.4 percent -- in 2016.

Those increases were not very surprising, Joan Zanders, director of financial aid at NOVA, said in an email. However, she was concerned about the high number of students selected for verification who failed to complete the process -- 4,320 students, or 49.9 percent, in 2017. Also worrisome was the 50.2 percent of $0 EFC students selected for verification who did not receive federal student aid last year.

The long-term implications of verification melt can be far-reaching. A research brief released in April by the Wheelhouse Center for Community College Leadership and Research at the University of California, Davis, School of Education found that nearly 71,000 California community college students, or more than 20 percent of the state total, qualified for federal aid but did not receive the Pell Grant. The researchers concluded the state's two-year students missed out on approximately $130 million in a single semester.

"By strengthening financial aid advising and removing unnecessary barriers, we can connect low-income students to resources that help them stay on track to degree or transfer," the researchers wrote.

California Community Colleges chancellor Eloy Ortiz Oakley called the findings "a call to action."

The National College Access Network estimates 50 percent of low-income students are selected each year for verification and 22 percent of them, or 90,000, will give up on applying for financial aid.

There are a number of other barriers that may prevent a flagged student from completing the application process, Zanders and others said.

"We know we have a certain percentage that selects NOVA as one of several colleges and might choose not to complete verification here," she said. "Or they are afraid they have done something wrong by being selected and walk away."

Complicated family structures that may make financial verification challenging are also a problem, as is providing incorrect information that can't be verified, she said.

"The data certainly tell me where we need to concentrate more resources," Zanders said.

Student aid advocates have been asking for more transparency about the filing process to make it more accurate and targeted.

Over the last 10 years, colleges and the federal Department of Education have been working to make filing the FAFSA easier for students, McCarthy said.

As part of that process, McCarthy said, officials involved are asking themselves, "Is this process actually doing what we want it to be doing, or is just making people jump through hoops and putting extra work on families and institutions to verify information that doesn't change the dollar amount?"

Applying for federal aid often requires students to provide their or their parents' tax returns to every college to which they've applied, said Kim Cook, executive director of the National College Access Network.

"Many of our students think when they get a verification notice that it's some kind of ineligibility notice," she said.

"It's very frustrating for us as access and success advisers to get students to be aware of financial aid at the federal, state or institutional level, get them to complete the FAFSA, and then face this backend burden that is actually harder than the FAFSA itself."

Some institutions serving large populations of students eligible for Pell Grants have told officials at the National Association of Student Financial Aid Administrators that more than half of the students flagged for verification saw no change in their EFC amounts, while other students saw their EFC amounts decrease.

McCarthy said NASFAA is asking colleges to run their data to determine if there were significant changes to eligibility after verification.

Meanwhile, flagged students waiting to have their financial aid application information verified may also lose out on "first come, first served" state aid that relies on FAFSA data, Cook said.

"These students might have pulled off going to school and enrolling without a Pell Grant," she said. "And in our experience, that is unfortunately not sustainable." ■

https://www.insidehighered.com/news/2018/10/12/college-officials-concerned-about-high-number-low-income-students-selected-federal

The Growing Loan Burden for Parents of College Students

BY ANDREW KREIGHBAUM // NOVEMBER 29, 2018

Parents are taking out bigger loans to pay for their children's college education, a new report finds, and having worse outcomes repaying that debt.

A loan program offered to parents financing their children's college education has been the target of repeated calls for tighter restrictions on eligibility.

And a report released Wednesday by the Brookings institution on Parent PLUS loans adds new fuel to arguments for restricting the program.

The report finds that the average loan amount taken out by parent borrowers has more than tripled in the last quarter century, according to the report. And parents with six figures in loan debt make up a growing share of borrowers entering repayment.

Repayment rates have declined, meanwhile, and more parents are defaulting on loans as they take out debt to finance their children's degrees at institutions with poor repayment outcomes. While parent borrowers on average have very low default rates on the loans, those aggregate numbers mask negative trends and poor outcomes at particular types of colleges, the report says.

"We're in this situation where parents, in order to send their kids to schools they want to attend, are taking out loans that some of them clearly can't afford to repay. And that seems like a terrible choice," said Adam Looney, the director of the Brookings Center on Regulation and Markets, who co-authored the report along with Vivien Lee, a senior research assistant at Brookings' Hutchins Center on Fiscal & Monetary Policy.

Those concerns are magnified because Parent PLUS loans don't come with the same kinds of protections as federal undergraduate debt, like income-based repayment and loan forgiveness.

In 1990, the average parent borrower took out $5,200 annually. In 2014, that number was $16,100, according to the report.

And the five-year default rate jumped from 7 percent in 2000 to 11 percent in 2009.

But parents face only a basic eligibility check for Parent PLUS loans; they can be more than $2,000 delinquent on other loan debt and still

qualify. And there are no caps on lending to finance their child's education.

The report is the latest of several papers produced by Looney examining student borrowing trends based on administrative data from the National Student Loan Data System.

Parent borrowing has often flown under the radar relative to undergraduate student loan debt. There isn't much good data on borrowers, and the loans make up a sliver of the overall federal student loan portfolio, said Rachel Fishman, deputy director for research at New America's Education Policy program.

But the loans are instrumental for

many students to access colleges, especially historically black institutions.

When the Obama administration attempted to tighten eligibility standards on Parent PLUS loans in 2011, it led to loan denials for thousands of families and intense backlash from black colleges. Many of the families who take out the loans don't have other options after their student exhausts their federal financial aid eligibility. They likely won't, for example, qualify for private student loans with better rates.

Although those changes were carried out clumsily, Fishman has written that more fundamental reform of the program is still needed. In a paper earlier this year, she said the program exacerbates the racial wealth gap by saddling many black families with debt they're unable to repay. The Brookings report only adds to those concerns, she said.

"The PLUS program is the only undergrad loan program where loans have been increasing year over year even as enrollments decline," she said. "The result, as Looney and Lee point out, is that average loan balances for PLUS have increased dramatically."

Many institutions package Parent PLUS loans as part of a student's financial aid award letter, a practice faulted by Fishman and other critics. And even more have come to rely on the loans as a source of revenue.

The Brookings paper finds the institutions with the worst repayment rates on parent loans were for-profit institutions -- especially those investigated for fraudulent and deceptive practices -- and institutions serving a high share of underrepresented minority students.

Parents of for-profit-college students had paid back 57.7 percent of their aggregate loans five years after entering repayment in 1999. For the cohort entering repayment 10 years later, parents had paid back only 26.3 percent of loan debt within five years. But half of colleges with the worst repayment rates were public or nonprofit institutions.

Groups representing black colleges have argued their members are trying to address affordability while serving a student population with many needs. And they say the PLUS program should not be restricted without addressing the greater need for financial aid among their student bodies.

Mark Kantrowitz, an expert on student aid, said that the growth in Parent PLUS over the last 25 years roughly matches tuition inflation. The growing rate of loan defaults was more concerning, he said.

"Part of the problem is the Parent PLUS loan program is the safety valve for when students reach the Stafford loan limits," he said.

Kantrowitz has argued that a slowdown in the growth of average student loan debt through the undergraduate Stafford program indicates many borrowers are hitting lending limits -- and parents are borrowing more in response.

Looney said the numbers he found showed the need for more federal data on parent borrowers.

"There are a lot of things that the federal government can do," he said. "One initial step would just be transparency to have a better sense of who is being successful paying their loans and who isn't."

Recent legislative proposals introduced by Republican and Democratic House lawmakers to update the Higher Education Act have taken contrasting approaches to Parent PLUS. The PROSPER Act, House Republicans' bid to reauthorize the higher ed law, would cap aggregate parent borrowing at $56,250 while slightly raising lifetime lending limits for undergraduate borrowers. The Aim Higher Act, which Democrats introduced over the summer, would make parent loans eligible for income-driven repayment. ■

https://www.insidehighered.com/news/2018/11/29/report-finds-parents-college-students-taking-out-more-debt-and-repaying-slower-rates

An Online Tax for Rural Students

BY LINDSAY MCKENZIE // JANUARY 30, 2019

High tuition fees for distance education courses are keeping some community colleges in Colorado afloat. But should rural students pay the price?

When it comes to education, Colorado is a state of paradoxes. The state has one of the most educated adult populations in the country, yet young people who grow up there are less likely to go to college than those from [many other states](#).

The Colorado Community College System faces a paradox of its own -- how to keep the doors of its smallest and most remote colleges open, without shutting out rural students.

For Joe Garcia, chancellor of the college system, it's a challenge with no easy solution.

Dotted across Colorado's varied landscape are thousands of students who live many miles from their closest community college. For these rural students, online learning is not just a convenience, but a necessity.

Small colleges in remote areas don't have the funds to offer all the programs students want on-site, said Garcia. It is typical for students at these colleges to take at least some of their classes online, either through the college itself or through Colorado Community Colleges Online -- a shared resource for online education that has been offering online classes to CCC students since 1998.

But in the CCC system, the price of learning online is "considerably" more than learning in person, said Garcia. Students who are Colorado residents pay a baseline of $148.90 per credit hour for traditional instruction at a campus. The price for online learning is $263.90 per credit hour -- a difference of just over $114. Some of the 13 colleges in the system charge students more.

It's not a price Garcia likes charging.

"I sometimes refer to it as a rural tax," he said. "A rural student would end up paying more to complete virtually any academic program, as they have to take some classes online. A student in an urban area wouldn't have to do that."

Garcia and members of the system's State Board for Community Colleges and Occupational Education are looking for ways to close the price gap, but there's no simple fix.

"It's an economic modeling question, as well as an access and equity question," he said.

"If we were to reduce our online rates and just charge the same for online as we do for the traditional classroom, candidly, we would give up $30 million a year in revenue," Garcia said. "We're not a big enough system, nor a well-funded enough system, to be able to absorb that."

Another option would be to raise the price of traditional instruction so that the price of online instruction could be reduced without affecting the system's net revenue, said Garcia.But in moving to charge the same amount for online and in-person instruction, prices would no longer be based on the actual costs of instruction; rather, they would be "based on what it costs to run a college system."

It can cost colleges in the system more to run online programs than equivalent traditional programs, said Garcia, particularly if the programs are new or do not have many students enrolled. But online program costs vary by college, program type and sophistication of technology used.

Revenue generated by CCC Online is shared back to colleges in the system to supplement their operating budgets, said Garcia. "The more money we take in through our online tuition, the more we can pay out to colleges to allow them to keep their doors open and lights on for traditional classes."

It is unlikely that the state would step in to plug the $30 million in revenue that is generated by online learning, said Garcia.

"Our state has never funded higher education particularly well compared with other states," he said. "The level of state funding is low." According to a report by the State Higher Education Executive Officers association, Colorado public institutions received $4,194 per full-time student in state and local education appropriations in 2017, which was down from $4,697 in 2008. The average U.S. educational appropriation for 2017 was $7,642 per student.

The 13 Colleges in the Colorado Community College System

- Arapahoe Community College
- Colorado Northwestern
- Community College
- Community College of Aurora
- Community College of Denver
- Front Range Community College
- Lamar Community College
- Morgan Community College
- Northeastern Junior College
- Otero Junior College
- Pikes Peak Community College
- Pueblo Community College
- Red Rocks Community College
- Trinidad State Junior College

Garcia said that while rural students may be getting a raw deal, students "across the board" complain that tuition is too high -- regardless of where they live or what mode of instruction they choose.

"It's becoming increasingly difficult for them to pay for college without getting into debt," he said.

A Problem of Scale

A central mission of community colleges is to ensure access and affordability for students. But affordability was not top of mind when the CCC system started launching online programs -- "the mission was overcoming the barriers of place and time," said Garcia.

There's a widespread misconception that online education is cheaper for colleges to provide than traditional education, said Garcia.

But keeping online costs down is not always possible. Online programs incur large start-up costs and can be expensive to run for a small number of students.

The CCC system is certainly not alone in charging students more to study online. A 2017 report by the Western Interstate Commission for Higher Education Cooperative on Educational Technologies (WCET) found that more than half of colleges surveyed charged more to study online than in person when course fees were taken into account.

It is typical for colleges to charge essentially the same tuition for in-person classes as for online classes, but some add hefty distance learning fees on top of the tuition, said Rob Robinson, senior principal partner and strategy consultant at Civitas Learning. Robinson, who wrote a dissertation on the cost of online learning, said the $114 cost differential for CCC system students is unusually large, particularly as a percentage of the in-person tuition, which is low.

Vernon Smith, provost of the American Public University System, a private for-profit online institution, said shrinking resources are making it difficult for many large state systems to educate students in rural areas.

"Community colleges cannot fill the need alone," said Smith. "Providing access to rural students, but charging more for online programs, is antithetical to access."

Initially, it might cost an institution the same to run an online program as it does to run a traditional program, said Smith. However, as online enrollments grow, costs should come down. As a result, online programs can be a good source of revenue for institutions -- "which is why many traditional institutions are now flocking to it," he said.

Smith believes Colorado and other state education systems with tight budgets may face tough choices in the future.

"Is access to higher education the priority, or should states make the hard decision to be excellent in some areas, but not others?" he said.

"If a state is unable to support the development cost of an online division that can provide access to higher education for rural students, should it partner with an online program from another state to provide that access?"

Carol Twigg, president and CEO of the National Center for Academic Transformation, a nonprofit that helps colleges reduce instruction costs through the use of technology, said the cost of online learning to an institution is not inherently higher than the cost of traditional instruction. Higher prices for online learning are "the result of decisions made by leadership," she said.

She said while the financial burden placed on rural students who have to pay more to study is unfair, institutions should be working to reduce the cost of higher education for all students, regardless of where they reside. Twigg agrees that some institutions may benefit from exploring partnerships with other providers. Alternative education provider StraighterLine, for example, offers college credit for around $150 per course.

> "I sometimes refer to it as a rural tax. A rural student would end up paying more to complete virtually any academic program, as they have to take some classes online. A student in an urban area wouldn't have to do that."

Colleges Under Pressure

Linda Lujan, president of Lamar Community College in rural southeast Colorado, said her college relies on courses from CCC Online to round out its curriculum.

For some students with healthy financial aid packages or families that can afford to pay, the price differential between online and in-person classes is not a barrier to access, said Lujan. But as the college attracts more first-generation students from lower-income families, this is changing, she said. "Students are having to make hard choices -- do I take the course online or do I try and take an alternative?"

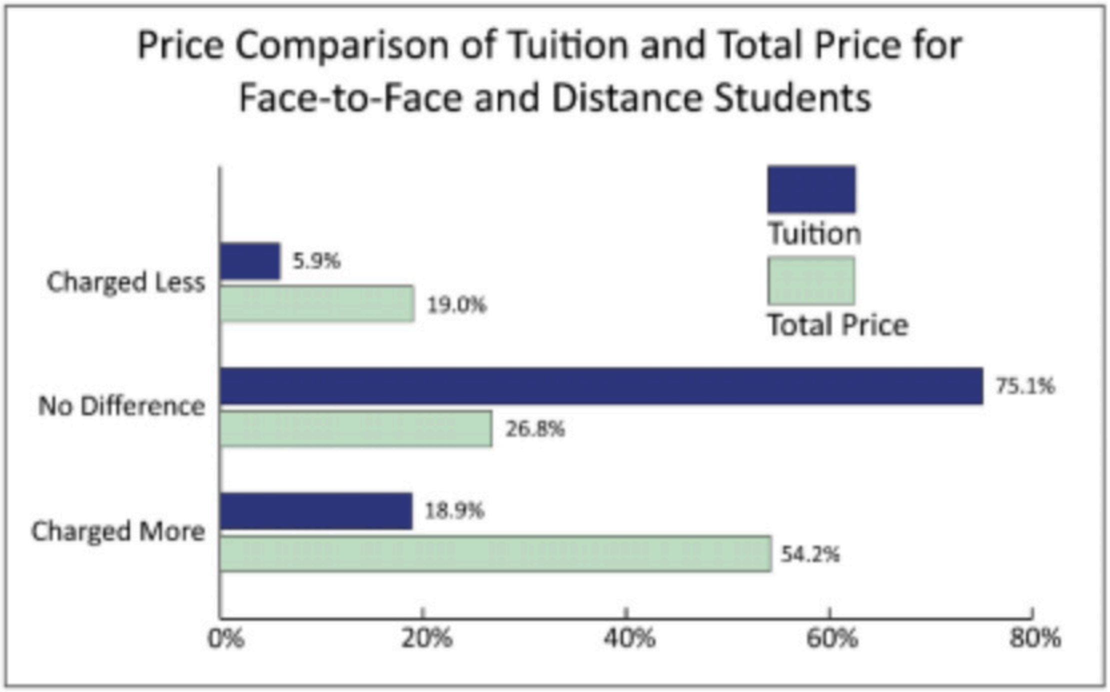
Affordability is an urgent issue for rural students, said Lujan. "Local students are already coming to us from economically depressed areas. If I could wave a magic wand and drop tuition without negatively impacting the college's financial health, I would do it tomorrow," she said. The college is currently offering some scholarships to students to help them offset the higher cost of online learning, but these funds are not guaranteed in the long term.

Matching online rates with in-person rates would cost the college $148,000 a year -- money the college can't afford to lose as it "operates on such a tiny margin," Lujan said.

Curt Freed is president of Morgan Community College in the northeastern corner of Colorado, which also serves a large rural population.

"Many students are making at least an hour drive to get to one of our locations to be able to take courses on a face-to-face basis," he said.

Despite the long commute, the percentage of students who study purely online at the college is relatively low at 16 percent. Fourteen percent of those enrolled in fully online programs study



through CCC Online, and 2 percent through programs developed by the college itself. But these figures don't tell the whole story, said Freed.

A year ago, the college decided it needed to better serve its rural students and started offering videoconferencing so students could watch faculty teach on campus from home. This method of instruction, which the college calls Global Classroom, now accounts for 22 percent of total enrollment. Though students are technically studying online, Morgan Community College charges face-to-face rates for Global Classroom, said Freed.

Like Lamar Community College, Morgan also offers some scholarships to students studying online. This year, Morgan is offering $100,000 in scholarships for students in the most financial need. This scholarship fund also helps high school students in dual-enrollment programs study online with Morgan, said Freed. It was not always possible to provide this type of assistance in the past and costs were passed on to public school districts, according to Freed.

"They really felt it," he said. "I've had some pretty tough questioning about why our online courses cost so much from superintendents."

If the system were able to figure out a way to reduce the price of online learning, Freed predicts his college's enrollment would grow. Additionally, the college "would not be out $100,000 a year," he said.

Freed and Lujan are confident that the system will be able to find a solution under Garcia's leadership, but neither is sure what this will look like.

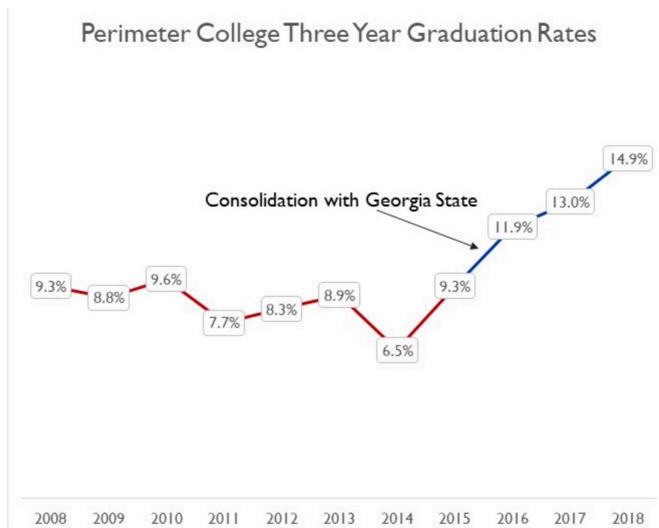
"We can figure this out," said Lujan. "But we'll do it in a thoughtful and measured way -- we want to avoid any unintended consequences." ■

https://www.insidehighered.com/digital-learning/article/2019/01/30/high-price-online-learning-colorados-rural-community-colleges

Consolidation and Completion Gains

BY ASHLEY A. SMITH // FEBRUARY 20, 2019

Merger between a low-performing community college and a nearby university has increased graduation and transfer rates -- and could be a model for other colleges.



Three years ago the University of Georgia Board of Regents tried to improve single-digit graduation rates at Georgia Perimeter College by merging the two-year college with its Atlanta-area neighbor, Georgia State University.

Georgia State had been praised widely for improving its completion rates and closing equity gaps, and state leaders hoped that success would translate to the community college.

The merger decision appears to have paid off. Georgia Perimeter, which had a 6.5 percent graduation rate in 2014, increased that three-year rate to nearly 15 percent last year. Its completion rates, which measure graduation and transfers to four-year institutions, increased from 41 percent to 58 percent during that same time period.

Gaps in academic achievement between students of color and low-income students and their white and wealthier peers also have closed at the college, which is now called Perimeter College at Georgia State University. As of last year, graduation rates for white, Hispanic and low-income students are roughly the same. The 12 percent graduation rate for black students still trails the 15 percent rate for white students. But both rates have increased since 2014, when they stood at 10 percent for white students and 4 percent for black students.

(See graphic above.)

"We've seen rapid progress in retention and graduation rates," said Timothy Renick, Georgia State's senior vice president for student success. "It has been better than we thought it would be in a relatively short period of time."

The college has made other gains in student achievement. For example, more students are staying at Perimeter beyond one year. Year-to-year retention rates increased from 58 percent in 2014 to 70 percent last year, according to data from the institution.

Georgia State officials cite the introduction of predictive analytics for helping to increase academic achievement at the two-year institution. The university has become a national leader in using predictive

Perimeter College Graduation Rates by Population: Associate Students

Pre- and Post-Consolidation

	2014	2015	2016	2017	2018
3-Year Graduation Rate	**7%**	**9%**	**12%**	**13%**	**15%**
3-Year: African American	4%	7%	10%	10%	12%
3-Year: White	10%	11%	13%	16%	15%
3-Year: Hispanic	6%	11%	13%	13%	15%
3-Year: Pell	5%	8%	10%	11%	15%

analytics to review hundreds of risk factors for students and to alert advisers when students get poor grades or are on the verge of dropping out. Officials at the four-year institution replicated that system for the Perimeter campuses.

Consolidating Perimeter, which enrolls roughly 20,000 students, and Georgia State, with approximately 50,000 students, saved about $8 million in administrative expenses for the two-year college. The merged colleges no longer needed two presidents, two vice provosts or two English department chairs, for example, Renick said. Georgia State took $3 million of that savings and used it to boost student services and to hire additional financial aid counselors and advisers.

By hiring 30 advisers, Perimeter went from 1,000 students per adviser to 400 per adviser. And students are using the service more often.

"When we took over Perimeter College back in 2015-16, there were about 3,000 students sitting down and meeting with academic advisers over the course of a year," Renick said. "This past year over 50,000 one-on-one meetings have occurred between Perimeter students and academic advisers."

Before the merger, students typically would meet with an adviser when they felt there was a problem. Now, with predictive analytics, the college is more proactive and prompts students to talk with an adviser if, for example, they register for a class that doesn't match their degree program or if they're failing assignments in a math course.

Another intriguing aspect of the merger is the more seamless transfer process between the university and the two-year institution, said Josh Wyner, executive director of the College Excellence Program at the Aspen Institute.

"It's something we all should be paying attention to, because the majority of community college students want to transfer and get a bachelor's degree," Wyner said. "The four-year transfer rate is hugely important. They've gone from below the national average to about the national average. Those are impressive data."

About 80 percent of entering community college students say they want to earn at least bachelor's degree, but only 33 percent transfer to a four-year institution within six years, according to the Community College Research Center at Columbia University's Teachers College.

For Perimeter graduates and transfer students, the merger also has had a positive effect on the public's perception of the two-year college.

"Seeing 'Georgia State' on a transcript will get more attention than just seeing 'Georgia Perimeter,' " said Lee Brewer Jones, an English and humanities professor at Perimeter, who has taught at the community college since 1992. "Just by being affiliated with a [research] institution, even though we're not an R-1 college, it has an impact on how people view our students."

Similar Demographics

Georgia State and Perimeter enroll students with some similarities. More than 70 percent of students at both institutions are nonwhite, and 60 percent are low income. But students at the two institutions also tend to have different needs.

For example, about a third of students at Perimeter, an open-admissions college, need remedial math, reading or English. Georgia State converted all remedial classes at Perimeter to the corequisite model, which allows students to take college-level course work but also receive additional support such as tutoring.

Similarities in student demographics have helped Georgia State better understand how to help Perimeter students.

For example, the university expanded its microgrants to Perimeter students in 2016. The program helps cover unmet tuition and fees for students who would otherwise be dropped because of nonpayment. The university gives about 300 microgrants per semester to Perimeter students, averaging $900 each.

The university also introduced learning communities to Perimeter, requiring all incoming freshmen to participate last year. The communities allow groups of about 25 students in the same degree program to take a few courses together. The expectation is that the communities help students establish friendships, form study groups and build peer networks.

Academic outcomes have improved for students who participate in the communities. They earn more credits and are retained at a slightly higher rate. And first-year students in learning communities earned on average a 3.18 grade point average compared to 3.09 GPA for those students not in a community.

Jones said many of the concerns Perimeter faculty had about the merger when it was first announced never occurred, such as a mandate for professors to have terminal or doctoral degrees.

And he and his peers have become more focused on encouraging students to earn their two-year degrees, even if they plan to transfer.

"I tell students, 'I hope you take time to get an associate degree before you transfer,' " Jones said. "I don't know if I always thought to say that before, but I make a point of saying, 'Get your associate.' That's an emphasis that comes from the highest levels of the university."

Merging Community Colleges

Georgia isn't the only state to merge community colleges in recent years.

> It's something we all should be paying attention to, because the majority of community college students want to transfer and get a bachelor's degree.

Significant enrollment declines and budget pressures have forced other institutions to consider consolidating. For example, the University of Wisconsin System started merging the state's 13 public two-year campuses with seven of its four-year universities last year. And the Connecticut State Colleges and Universities system had considered merging the state's 12 community colleges, but that plan was killed last year by the system's accrediting agency.

Ricardo Azziz, the chief officer of academic health and hospital affairs at the State University of New York System, was president of Georgia Health Sciences University when it merged with Augusta State University to create Georgia Regents University. That institution is now known as Augusta University. Azziz said more colleges and states will consider these types of mergers in the future.

"There are a number of trends driving this, and one is a need for continuing education or lifelong education," he said. "The second driver is pure demographics. The number of students in community colleges is decreasing. The number of high school graduates is decreasing, and the economy is improving."

Even if the economy declines, he said it wouldn't dramatically increase enrollment at community colleges.

Some researchers have been warning community colleges that enrollment is expected to plummet by 2025. Enrollment in the two-year sector has already been on a decline since around 2010. And last fall, community college enrollment was down 3.2 percent from the previous year, according to the National Student Clearinghouse Research Center.

Mergers between community colleges and four-year institutions tend to be more successful when they are in the same geographic region but don't physically combine, experts say. They also are more successful when the community college retains its open-admissions policy, continues to offer noncredit programs and serves the community's work-force needs.

"Part of the reason why Perimeter and Georgia State have done better is that they're still at separate locations," Azziz said. "The community college structure is still physically different."

But mergers between two different types of institutions can be tricky. The missions and cultures of two-year or technical colleges are different from those of four-year colleges or research universities, Azziz said.

Faculty and staff members initially were concerned about merging the two Atlanta-area institutions. Jones said Perimeter faculty worried that the smaller college would be taken over by the university and become a low priority to the larger institution.

"We have retained the autonomy and academic freedom that we had before the merger," Jones said.

Mergers can bring a lot of good to the institutions involved, Azziz said. But they are still complicated and difficult.

"We need to recognize that while a lot of good things can come out of

https://www.insidehighered.com/news/2019/02/20/georgia-perimeter-improves-graduation-and-transfer-rates-after-merging-georgia-state

A Push to Meet Full Need

BY MARJORIE VALBRUN // APRIL 13, 2018

How Lawrence University, without a mega-endowment, is raising money to join a small group of institutions.

Lawrence University embarked on an ambitious plan in 2014 to join the exclusive ranks of so-called full-need colleges -- those that provide financial aid to cover all tuition and fees for admitted students with "demonstrated financial need."

Entering a space occupied by Ivy League and other elite colleges with hefty endowments and socially conscious bona fides was a bold move for the small liberal arts college in Wisconsin. Only 65 universities nationwide are designated full-need institutions. But Lawrence president Mark Burstein was undaunted; he knew the need among some of the 1,500 students.

He launched an effort to raise $85 million in endowed scholarship funds in five years -- the amount the university estimated it would need to make the commitment. The "Full Speed to Full Need" campaign was an instant hit, widely embraced by students and alumni -- and an anonymous donor who initially gave $25 million and later kicked in another $5 million for good measure.

The university raised $74.3 million in four years. The support has already been used for additional scholarships or grants to 182 students, 138 of them currently on campus. Officials believe they have enough momentum to meet the goal by next year.

The collective financial status of Lawrence students has changed dramatically as a result. During the 2014-15 academic year, 74 percent of the students on financial aid had an average funding gap of $6,000 in their awards, which included all federal grants and loans for which they were eligible, as well as financial support from the university. The gap meant students had to find the money elsewhere. This academic year, 48 percent of the students have a funding gap, and the average dropped to $4,200, according to Burstein.

"We're really trying to help every student on this campus and especially the families that have the largest gap," he said. "This resonated with the Lawrence community and our values. We've been historically a place where students of need come for a transformative educational experience."

The path to full need was not a direct one for Burstein, however. A student inadvertently but fundamentally redirected his thinking about financial aid.

The mental shift occurred during the launch of "open office," one of many student outreach events on the main campus in Appleton, Wis., when individual students visit with Burstein to tell him what's on their minds.

One student, a sophomore, laid it all out.

"He said, 'I love it here,' " Burstein recalled. "'I have a B-plus average. I'm working close to 40 hours a week. I already owe $30,000 in student loans. My mom works in retail and my dad is being evicted from his apartment. What should I do?' "

Burstein suggested the young man transfer to a state college in the student's hometown, which would likely be less expensive than Lawrence, where annual tuition and fees at the time totaled nearly $50,000. (Tuition and fees for the 2018-19 academic year will be $57,816. Tuition has increased about 3 percent for the last four years.)

The student pushed back. "He said, 'I'm sorry, but maybe you didn't hear me. I love it here,' " Burstein said.

The university found additional money for the student, who did not want to be identified, and he graduated from Lawrence in 2016. But Burstein, who still considers the meeting with the student "the most pivotal one for me," was left wondering how many others on campus were in similar straits and how many would end up leaving Lawrence without graduating because the university could not afford to help them all.

Mark Burstein

"It started to make real for me what it means not to be a full-need university, not to support these students," he said.

Stephen Burd, a senior analyst with the education policy program at New America, a Washington think tank, believes more college administrators should ponder such questions -- and seek to address them. "It's a nice change to see a school trying to go to full need," he said. "Most private colleges are going in the opposite direction and providing more non-need-based aid, more merit aid, and meeting less need. It sounds like Lawrence is doing the right thing."

Burd, an expert on student financial aid, has studied the growth of non-need-based aid and merit aid by American universities and written extensively about how the "pursuit of prestige and revenue" by colleges hurts low-income students.

"Schools are becoming less generous to poor students and trying to get more wealthy students," he said. "And the share of students who are low income is dropping."

At Lawrence 21 percent of students receive Pell Grants, a federal subsidy for low-income students.

Sarah Flanagan, vice president for government relations at the National Association of Independent Colleges and Universities, said other universities should follow the example set by Lawrence.

"It's a noble goal but a hard one to reach, especially if you're a small college and don't have a massively huge endowment," she said. "When everything is smaller in scale ... your cost per student is more expensive to deliver."

Those are "the economics of providing a small, personal, liberal arts education" faced by Lawrence and similar institutions, she said.

If 40 percent of the student body is in poverty, she said, "you gotta have backup money and be able to pay for it from another revenue stream. You have to make up for the tuition that the students would otherwise have to pay. The money has to come from somewhere."

That Lawrence is well on its way to becoming a full-need institution "is an amazing story," she said. (The college is not need blind.)

"They were clearly able to make their alumni and donors understand why this is important. It means not only was the college visionary and generous, but so were their donors. It's impressive and transformative."

Lawrence's endowment was $318.2 million as of June 30, 2017. While its endowment is higher than those of most universities its size, it is not well endowed compared to other full-need universities.

Nonetheless, the move by Lawrence to become full need is hugely consequential, said Susie Kane, an alumna and chairwoman of the university's Board of Trustees.

"It will be transformational for the students and also transformational for the institution," she said.

"Raising $85 million was a tall order, and lo and behold, we raised most of it in a year and half," she said. "We were astounded at what we were able to pull off."

Kane said the infusion of cash means the university won't have to pull funds from faculty salaries or programs to fill the gap in student financial aid.

"It will allow us to focus on other things as well," she said. "We can be focused on broader initiatives."

Kane credits Burstein for much of the success of the campaign but notes that Lawrence has a long tradition of supporting students with scholarships. She and her husband, John, fund three scholarships at the university.

> "I love it here. I have a B-plus average. I'm working close to 40 hours a week. I already owe $30,000 in student loans. My mom works in retail and my dad is being evicted from his apartment. What should I do?'"

"Attending Lawrence changed who I was," she said. "It gave me the confidence that I could think things through and do whatever I needed to do in life. It's a lifelong gift."

Full Speed to Full Need is part of the university's wider comprehensive fund-raising efforts and the most popular of the university's overall campaigns, said Cal Husmann, vice president for alumni, development and communications.

"I've never seen anything like it in my career," said Husmann. "I've been here since 1994 and seen a lot changes and difficulties, and I've never seen the community rally around one strategic point like this. It feels like a community project."

Burstein said while all the donations, which have ranged from $5 to $5 million, have made a difference, the $25 million from the anonymous donor was a game changer.

He asked the donor to make it a matching grant with a five-year deadline with hopes of raising $5 million a year. The money was matched in a year, prompting the donor to contribute the additional $5 million.

Part of Burstein's motivation was to increase Lawrence's graduation rate from 80 percent to 90 percent.

"The No. 1 factor with students not persisting to graduation was the gap in the financial aid awarded," he said. "The larger the gap, the less likely the student was to graduate."

"A lot of young alumni are also getting excited about" the campaign, he said.

Lewis Berger, a senior and past president of the Lawrence University Community Council, or LUCC, the campus's shared governance council, said a lack of financial aid support also has other consequences.

"Our main focus in student government is that students get to be students and not have to work 40 hours a week, or all summer, and not be able to do an internship" because they have to earn money to help pay for college, he said.

"I myself have gotten aid, which has been helpful and allowed me to play soccer and be on student government without having to work," he said. "I know a lot of people who were worried about not being able to continue their education, and Lawrence helped them out."

Cory Nettles, an alumnus and a member of the university's board, said he found the idea of becoming a full-need institution "very compelling."

"I was one of those students who relied on financial aid when I was at Lawrence," he said. "I was the poorest of the poor students. Lawrence was very generous in financial aid and grants."

After Nettles graduated, became an attorney and then the founder and managing director of a private equity firm, he and another Lawrence graduate started a scholarship fund for African-American students in 1997. He and his wife made a six-figure donation to the university several years ago and gave an additional six-figure amount in 2016 in response to the full-need campaign.

"It was a no-brainer," he said of the most recent donation. "It was an opportunity to pay forward the investment that Lawrence had made in me."

He believes many, if not all, of the 968 donors who've given to the campaign feel the same way.

People understand "emotionally and viscerally" the need to equip another generation of students with the education they will need to succeed in life, he said.

"I was amazed at how much money we raised and how quickly we raised it in response to the president's challenge," Nettles said. "It made us wonder why we didn't do it sooner." ■

https://www.insidehighered.com/news/2018/04/13/how-lawrence-university-pushing-meet-students-full-financial-need

Opinion

A selection of articles by *Inside Higher Ed* reporters

The FAFSA Challenge

BY JUSTIN DRAEGER // SEPTEMBER 27, 2018

Even as policy experts work to make it easier to apply for federal aid, they need to avoid rhetoric that may scare students off, writes Justin Draeger.

The annual struggle is nearly upon us. With the Oct. 1 date for the Free Application for Federal Student Aid nearly here, we in the higher education policy world face a daunting task: continually pushing for further FAFSA simplification, without inadvertently deterring the very students who most stand to benefit.

An analysis conducted last fall by personal finance website NerdWallet found "the high school Class of 2017 left as much as $2.3 billion in free federal grant money for college on the table" because they did not submit the FAFSA. This is a recurring problem that has led many organizations -- including the one I work for -- to reconsider the entire federal student aid application process. Often we illustrate the complexities students and families face with real-life examples that drive home why this is such a critical issue for lawmakers to tackle. But as financial aid administrators from across the country are quick to remind me, in our attempts to highlight this issue to lawmakers, those same narratives might convince some students and families that completing the application process is just too difficult.

It's important to back up and remember how far we've come in simplifying the process in just the last 10 years. Yes, there are some complicated questions on the FAFSA that are asked to try to differentiate various levels of financial need, but students from low-income families aren't likely to see most of those questions. Given that 99 percent of applicants complete the form online, the FAFSA contains ever-improving skip logic that allows applicants to bypass some of those most confusing questions. Additionally, now that we are using tax data from two years prior to enrollment, even more families can import some data from their tax returns directly into the FAFSA.

Today, students complete the entire FAFSA in just about 30 minutes, and those times could possibly improve even more with a new FAFSA mobile option introduced just this last summer.

Focusing too much on the complexity of the financial aid form may not only deter students from completing it, it can also lead to bad policy making. For example, at one point lawmakers were considering simplifying the FAFSA down to just two data points. While this might work for a significant number of students, such a dramatic simplification would greatly reduce our ability to differentiate those with real financial need from those who only appear needy through the tax system. Such a move would have likely pushed several schools and states to add their own applications in addition to the FAFSA. Today, there are better ways to collect student and family information while still simplifying the process.

One way to do that is to expand the amount of data students can import directly from their tax returns using the Internal Revenue Service data retrieval tool, increasing the ability to assess financial strength while reducing the number of questions students and families need to answer.

The National Association of Student Financial Aid Administrators just last week provided public comments to the IRS urging them to work closely with the Department of Education to ensure that changes to tax forms and schedules do not have negative impacts on the student aid application process.

Additionally, families that already qualify for certain means-tested public benefits could largely be prequalified for financial aid if Congress mandates some basic data sharing between federal agencies, as proposed by NASFAA, the National College Access Network and others.

This is no easy balancing act. Further financial aid simplification is necessary, and personal stories about those complexities help drive home that need. But let us also tout the improvements that have already been made, promote new mobile options and reassure students and families that completing the application process is doable and necessary. Financial aid administrators, access professionals and guidance counselors stand ready to help any who find themselves stuck in the process. ■

Bio:

Justin Draeger is president and CEO of the National Association of Student Financial Aid Administrators.

https://www.insidehighered.com/views/2018/09/27/efforts-improve-fafsa-need-avoid-rhetoric-will-scare-students-opinion

Sometimes, Practical Policy Can Be Exceptional

BY MIKE KRAUSE // SEPTEMBER 25, 2018

Five years after it was launched, Tennessee Promise has catalyzed seismic positive change, writes Mike Krause.

When our state launched the Tennessee Promise in 2014, we could not have imagined how the free-college conversation would emerge as a popular policy proposal across the nation. Our program grew out of a need to address a stagnant college-going rate that was impervious to traditional financial aid approaches, with thousands of low-income students each year electing not to pursue higher education. Five years and 58,000 students later, we can scarcely believe the seismic change catalyzed in our state by the Tennessee Promise.

But unfortunately, after perusing some recent think-tank reports, one would have been hard-pressed to have gathered any positive impacts from Promise programs implemented here and elsewhere. To be clear, the authors of those reports are thoughtful, passionate and valued colleagues. The issue they are seeking to illuminate, the emergent challenge of confronting and closing postsecondary equity gaps, should be the centerpiece of the American higher education conversation. My concern, however, is that by oversimplifying the concept of equity and ignoring the daily realities of state policy making, the reports do little to move the national conversation forward. And because the Tennessee Promise is featured in many of these discussions, I feel obligated to set the record straight on our free-college experience in the Volunteer State.

First and foremost, Tennessee Promise is about much more than just financial aid. It is about a network of more than 7,500 mentors who volunteer thousands of hours each year to serve as college coaches for our Promise students. It is about Tennessee Promise students reinvesting in their own local communities by completing community service each year. Most of all, it's about speaking to students with a clear message and distilling the bureaucratic mess of financial aid into one sentence: in Tennessee, college is now tuition-free.

What last week's reports miss, and what a recent response from Sara Goldrick-Rab and Michelle Miller-Adams rightly points out, is that "free" is a very powerful message. We have seen the power of this message firsthand, as FAFSA filings in Tennessee increased by almost 15 percent in the initial year of the program and have continued to grow ever since. Similarly, it's about how our state's college-going rate, stubbornly hovering for a decade around 55 percent, increased by

5 percent in the year immediately following the introduction of Tennessee Promise and has now reached almost 65 percent.

A casual observer might see those increases in conjunction with last week's reports and assume that only middle- and high-income students are driving the increases in college going here. But examining the data behind low-income student enrollment tells a different story. Since implementation of Tennessee Promise, we have seen almost 8,000 additional Pell Grant recipients enroll in college, with more than 60 percent of these students having an expected family contribution of $0.

The growth of these metrics is encouraging, and almost certainly due to the shift in the college-going culture initiated by Tennessee Promise. The reality is, however, examining a Promise program extracted from the larger policy landscape is a flawed research approach. In most states with a Promise program, and certainly here in our state, free college is a component of a much larger constellation of student-support initiatives. Whether it is the need-based aid disbursed through the Tennessee Student Assistance Award, which has expended over $100 million in additional state aid to Pell-eligible students, or the fourth consecutive year of record low tuition increases at our colleges and universities, the broader horizon of affordability must be considered by those seeking to quantify the success of equity-focused efforts.

Finally, dismissing the impact of a last-dollar approach because Pell funds cover tuition for high-need students misses an important detail: students often don't know what the Pell Grant is in the first place. Thus, they may count themselves out of college prematurely, believing their familial circumstances put college costs out of reach. The power of a last-dollar scholarship is the ability to operate within the fiscal parameters faced by most state governments, while also creating a sense of inevitability for students: you can afford college because it's "free."

The governors, legislators, state higher education executive officers and campus leaders trying to devise impactful policies have tough jobs. Uncertain financial resources, complex policy demands and the immediate needs of building the work force all challenge attempts to institute a student-focused agenda. Sometimes those realities mean we must pursue a policy solution that external observers deem imperfect, and sometimes they mean forgoing the utopian in favor of the practical.

But occasionally, as in the case of the Tennessee Promise, the practical can become something truly exceptional. ■

Bio:

Mike Krause is the executive director of the Tennessee Higher Education Commission and served as the founding director of the Tennessee Promise.

https://www.insidehighered.com/views/2018/09/27/efforts-improve-fafsa-need-avoid-rhetoric-will-scare-students-opinion

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