

Summary of Institutional Feedback on Financial Aid Allocation Models

CCHE Finance, Performance & Accountability Committee, 9/17/21

Colorado Student Grant

1. *Should CSG allocations factor in cost of attendance (or potentially a standard budget)? If so, would you agree with an approach that factored in average cost of attendance by sector (four-year research, four-year non-research, two-year, ATC)?*
 - Mixed feedback. Those in favor argue that students attending higher-cost institutions need higher awards in order to be equitable. Those opposed argue that it is unfair to institutions that have historically kept their tuition lower.
2. *Alternatively, should CSG take on an approach where students receive a flat amount regardless of institution?*
 - Generally not in favor of a mechanism where the state determines award levels. But several schools were in favor of a more simple allocation methodology.
 - Those in favor of a flat student awards brought up predictability for students and institutions.
 - Those opposed to flat awards brought up autonomy in packaging and concern that a 'flat amount' model would result in low-income students being 'tracked' into lower cost institutions.
3. *Do you feel the current model's approach of allocating incrementally more funding for progressive student levels (with seniors being "worth" the most in the model) incentivizes completion and retention? Does it indirectly recognize the differing costs of educating students at different types of institutions (e.g. two year vs four year)? Should student level continue to be a consideration in allocations?*
 - Mixed feedback, no strong consensus.
 - Institutions have motivations to progress and graduate students outside of how student progression impacts their financial aid allocation.
 - Student's motivation to progress is not primarily financial aid related. The costs are a stressor that aid helps alleviate. Most students are not aware that their institution's financial aid allocation is related to progression.
 - Some institutions also indicated that the greater barrier for retention is from freshman to sophomore year rather than at higher grade levels.
 - Schools in support of this noted that the incremental increase by grade level indirectly recognizes increased costs of educating students at four-year institutions. They also noted the higher cost of educating upperclassmen.
 - Schools not supporting this tended to have higher numbers of freshman/sophomore level students.
4. *Do you increase, decrease, or hold constant student awards as students achieve higher class ranks?*
 - Most institutions do not base awards on class rank. Most indicated they hold awards constant from year to year, while some indicated they evaluate financial need on an annual basis.
5. *Do you support the way the guardrails have operated in past years? Should guardrails continue to be implemented?*
 - Most institutions support the use of guardrails and the predictability they bring. When there is ample funding, financial aid directors have typically favored holding institutions harmless regardless of inputs.
 - Disagreement centered on distortions and the idea that guardrails mean final allocations do not reflect actual student counts -- a potential solution would be to have less generous guardrails so that a school continually losing Pell-eligible students sees that reflected in their allocation to an extent.

6. *Should unmet need on a campus be factored into allocation methodology? If so, should the unmet need be calculated before or after all other types of grant aid?*
- Most institutions said no. This is difficult to implement as unmet need can vary widely from campus to campus and unmet need calculations are not necessarily agreed on.
 - Some institutions also raised concerns over being penalized in the model for historically keeping their tuition low/that this would benefit institutions with a higher cost of attendance.
7. *Should institutional aid be factored into allocation of state dollars?*
- Vast majority said no, as this could penalize institutions prioritizing institutional aid. Also, hard to implement.
 - Institutions that said yes pointed out differences in resources mean that state aid plays a larger role in aid packaging at some schools than others, which should be recognized.

Colorado Graduate Grant

8. *A new CIP list based on the most recent Colorado Talent Pipeline Report and state priorities retains existing codes, but also significantly expands eligibility. The biggest new categories are education, mental health counseling, social work, and law. What are your thoughts on expanding the CIP list and these new categories?*
- General support with one exception from an institution saying we should get rid of grad grant since there is so much unmet need at the undergraduate level.
 - Several institutions indicated they were excited about the possibility of being included in the program moving forward (based on potential new CIP codes previously shared).
 - Concern over shifting allocation formula without more dollars being added.
 - One institution expressed interest in adding local workforce needs in addition to statewide.

Colorado Work Study

9. *Should Work Study continue to be so heavily based on historic numbers, or something else?*
- Mixed responses. Many institutions acknowledged that heavily basing this allocation on historic numbers is not ideal, but the historic allocations have provided stability and there may be challenges with any approach that results in significant reallocations.
 - Alternative suggestions included looking at total FTE, Pell eligible FTE, and minimum wage requirements across the state.
10. *Would you support a requirement that all or a certain percentage of work-study dollars go to students working in jobs related to their major or future career goals?*
- No – in addition to challenges around the administrative burden, institutions also indicated that work study can be a valuable way for students to explore potential careers when they have not yet decided on their career goals.
 - Many institutions also noted that any work study experience is worthwhile as an early opportunity to develop broadly applicable skill sets such as interpersonal skills and time management while still being considered a student first.
11. *How will increases in minimum wage impact your work-study program?*
- As minimum wage increases go into effect but work study allocations stay flat, institutions have to offer work study to fewer students or reduce the hours they are able to offer to students.

Other Topics

12. *The Commission has expressed an interest in accountability for financial aid dollars. For example, ensuring those dollars are being best utilized to retain and complete students. Do you have any recommendations on measures of accountability? Does your institution perform any accountability evaluations?*

- From a compliance standpoint, all institutions are conscious of regulations around use of financial aid funds. Reporting occurs annually to both the federal and state government, and programs are regularly examined by external auditors.
- One institution also noted that the existing model is inherently based in accountability as it is based on retention of Pell-eligible students.
- Institutions value the ability to take an allocation that is aligned with CCHE goals around retention but still package aid in a way that allows them to maximize benefits to low-income students.
- Individual institutional capacity for in-depth analysis of outcomes varies – some institutions have extensive reporting available, while others do not.
- Institutions noted there are many factors related to an individual student’s ability to retain and complete, including but not limited to financial aid.
- Is there a goal to tie funding to the performance of students receiving financial aid? Multiple institutions noted challenges around tying a need-based resource that can be critical to individual students to university-wide performance. Shifting dollars to institutions with better outcomes may have the unintended consequence of reducing aid to students on the margins.

13. *Pell eligible FTE are the basis of CSG and Grad Grant models. Is this the right measure?*

- Yes, while acknowledging that Pell-eligibility does not capture all students (for example, those who cannot fill out a FAFSA or receive a Pell grant), and that some students are not Pell-eligible but still have financial need.

14. *How important is it that you maintain autonomy in individual aid packaging versus more direct state involvement?*

- All institutions indicated autonomy in packaging is extremely important as they are best suited to respond to individual student needs in a timely manner.

15. *Should multiple years of data be used in allocation models?*

- Majority of institutions indicated a preference for the smoothing effect of multiple years of data, especially in light of disruptions such as COVID.
- Disagreement came from institutions interested in seeing allocations more directly reflect actual FTE. These institutions also noted that multiple years of data could work against a school seeing a significant increase in Pell-eligible students.

Other Feedback:

- Two institutions indicated that they feel funding should be focused on public institutions only.