



ADVISORY COMMITTEE ON STUDENT FINANCIAL ASSISTANCE



MAY 18, 2012

Washington DC—A recent report by the Brown Center at Brookings recommends that states redesign grant programs to maximize college attainment by “tying grants to measures of on-time progress toward a degree” but rules out use of measures of merit. The proposal states that “circumstances in each state will make the ideal program different for different states.” While the authors should be commended for calling attention to the nation’s college completion crisis and the need for more grant aid, there are two potential problems with the proposed approach – one operational and one analytical.

- First, it encourages proliferation of state grant programs, based on unique measures of progress toward degree.
- Second, it would reduce state grant aid for students most at risk and the institutions that serve those students.

These problems suggest a reexamination of the proposal’s assumptions and analyses is needed.

Dismantling the Federal-State Partnership

For those who have fought hard to integrate the delivery of federal and state grant aid to benefit at-risk students, it is doubtful that enrollment and persistence outcomes will be improved by creation of 50 different state grant programs, each driven in part by measures of on-time progress toward completion. The proposal rejects the longstanding, widely-shared goal of an integrated and consistent federal-state partnership in need-based grant aid, closely tied in design and delivery to the Pell Grant program. Instead, the proposal invites a fragmented and complex system of unique state programs, untied to federal or institutional need-based aid – a system that substitutes state judgments for institutional judgments about academic progress. This would increase uncertainty and confusion among students, parents, and institutions.

Lowering Grants to Students Most At Risk

Policymakers familiar with research on academic progress know that on-time progress toward degree completion is a function of family income, high school preparation, test scores, grades, institutional selectivity and resources, and financial aid. A student’s observed progress toward degree completion, at any point in time, reflects the influence of these factors. For example, a recent high school graduate attending a selective 4-year college will have a decidedly different progress-to-degree profile than a single mother attending a 2-year college while working full-time. Conditioning state need-based grant aid on progress toward completion risks redistribution of grants from students most at risk in institutions with the least resources to students less at risk in institutions with more resources to help them succeed – including more financial aid.

What the proposal does not reveal are the intricacies of data analysis required to implement its recommendations. It is not enough to rule out use of measures of past merit – i.e., high school preparation, test scores, and grades – and institutional selectivity and resources, which are highly correlated with family income and past merit. The problem is that all of the student-level data on progress toward degree available to states strongly reflect those influences. To avoid rewarding past merit and institutional selectivity and resources, data on progress toward degree completion must be statistically adjusted to control for these factors. Even if a state is rewarding future – rather than current – behavior with higher grants, it cannot use unadjusted student-level data on progress toward degree to decide which students will receive higher grants and which students will receive lower grants. Finally, any improvement in on-time progress toward completion by students receiving higher grants would likely be offset by deterioration in on-time progress by students receiving lower grants.

The likelihood that states will adjust student-level data on progress toward degree to adequately control for past merit and institutional selectivity and resources before using those data to redistribute grant aid is quite low. State legislatures are not equipped to conduct the sophisticated data analysis required to do so. For that reason, a call for states to use on-time progress toward degree to determine grant aid in order to increase college attainment would likely result in state grant programs that reduce the grant aid of students most at risk in institutions with the least resources to support those students.

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