

Tab 20

Recommendations Regarding Transfer Scholarship and A+ Need Sensitivity

Coordinating Board for Higher Education
March 6, 2019

BACKGROUND

At its December 2018 meeting, the Coordinating Board accepted the recommendations developed by the State Student Financial Aid Committee as the primary deliverable to Phase Two in this initiative. In addition, the board directed MDHE staff to begin the process for implementation of the recommendations with the exception of two items: Incorporating need sensitivity into the A+ Scholarship program and development of an A+ linked transfer scholarship program. This board items is intended to update the Coordinating Board regarding these two items.

A+ Need Sensitivity

The State Student Financial Aid Committee made the following recommendation to the Coordinating Board at its December 2018 meeting.

In order to prioritize students with financial need, it is recommended that A+ award be allowed to cover a limited amount of educational costs above tuition and general fees for student that are determined to have financial need. It is recommended that this additional cost be offset by capping the maximum payment to a student who does not meet the need criteria. The cap would be established as the average annual award for the previous award year.

This recommendation from the committee was based on data indicating that 60 percent of current program funding is awarded to students from families with an adjusted gross income (AGI) above \$80,000 (approximately 12 percent is paid to families with an AGI above \$150,000), the program population is approximately two percent African American, and approximately 2,500 students that have completed the high school requirements receive no funding due to Pell eligibility. Considerable research exists indicating that aid to students from higher income families is not effective in changing the likelihood of enrolling in postsecondary education. In order to ensure program efficiency and target aid where it would have the greatest impact, the proposal would have capped awards to students with an AGI above \$150,000 in order to provide some limited funding to the poorest category of students, who are eligible but receive no award.

The November 13, 2018, letter from the Missouri Community College Association did not dispute these data but simply ask why the MDHE would propose to change an already proven program. The letter ended with the request to make no changes to the A+ program other than to increase its promotion. In subsequent meetings with Commissioner Mulligan, MCCA members continued to express opposition to the incorporation of need sensitivity into the A+ scholarship.

Transfer Scholarship

The committee also made the following recommendation at the December CBHE meeting.

To encourage and reward persistence and completion, it is recommended that Missouri develop a transfer scholarship to assist A+ eligible students who successfully transition from a two-year to a four-year institution. Eligibility for the program should be contingent upon successful completion of the A+ program while in high school and successful completion of an associate's degree at a public community college.

Based on transfer data available to the MDHE, approximately 40 percent of A+ recipients transfer from a community college to a four-year institution in any given year. Of those that transfer, approximately 25 percent transfer after completing an associate degree with 75 percent transferring prior to degree completion. The transfer program was proposed by the committee to promote persistence and completion by helping address

the financial reality faced by these transfer students. While attending a community colleges, the student receives full payment of tuition and general fees. Upon transfer, these funds are no longer available and, given that the vast majority of A+ students are not Pell eligible, these students often face a challenge in meeting the higher cost of study at a four-year institution. In addition, students that transfer to four-year institutions often forgo institutional and other aid that would typically be available to native students.

Prior to the Coordinating Board meeting, the Council on Public Higher Education (COPHE) submitted a letter to the Coordinating Board requesting that the implementation of this recommendation as drafted be reconsidered. While the letter expressed support for the concept of a transfer scholarship, it raised concern regarding the requirement that students complete an associate degree in order to be eligible for the scholarship. With the establishment of Core 42, designed to ensure students who determine it is in their best interest to transfer prior to the completion of the associate's degree, students are guaranteed those hours will transfer smoothly into a bachelor degree program. The COPHE letter proposed making students eligible for the transfer scholarship if they complete an associate's degree or the Core 42 coursework. A copy of the COPHE letter is attached to this agenda item.

Community college representatives expressed concern from two perspectives with the proposed change. First, MCCA opined that the availability of the award prior to degree completion could create a financial incentive for students to transfer earlier than they might otherwise. Given the focus on completion rates among higher education constituencies, this negative impact on community college completion rates would reflect poorly on the sector's performance. Second, MCCA shared data indicating that students that transfer after completing an associate's degree are substantially more successful than those that transfer prior to that point. A copy of the MCCA letter is attached to this agenda item.

CURRENT STATUS

A+ Need Sensitivity

Given the strong opposition to the proposed change, no proposal for implementation has been developed and further consideration of this item or any related item has been ended.

Transfer Scholarship

The data provided by the community college sector confirmed the generally accepted fact that transfer prior to a degree results in lower completion rates. Those data indicate the 70 percent of students transferring after completing an associate's degree also completed a bachelor's degree while only 59 percent of those transferring prior to completing an associate's degree met that threshold of success. However, because the transfer scholarship program would not be targeted at the general community college population, the MDHE staff reviewed recent actual transfer performance of A+ students. In addition to segregating students that transfer after completing a degree, it separated those that transferred after completing 42 credit hours but before degree completion. While this is not exactly the same as the proposal to use completion of Core 42 as a threshold, it is the best available proxy until Core 42 is fully implemented and operational.

Based on this review of three year transfer data, A+ eligible students who transfer to a four-year institution persist at relatively comparable rates (85.5% for degree completers vs.83.8% for those completing at least 42 credit hours) regardless of whether they completed a degree or not. As to the ultimate completion of a bachelor's degree within four years of transfer, there was approximately a seven percent difference between the two populations (80.8% for degree completers vs. 74.1% for those completing at least 42 credit hours). It is important to point out both rates are well above those completing less than 42 credit hours (58.8%) and the graduation rate for all students at public four-year universities (60%).

In an attempt to find resolution to this issue, these data were reviewed by the State Student Financial Aid Committee at its meeting on February 15. After considerable discussion, the committee was unable to reach

any consensus regarding how to proceed with this recommendation. A compromise proposal was also discussed, which would have allowed eligibility for students that do not complete an associate's degree but do complete the Core 42 with a lower award than for those completing the associate's degree. While a majority of the committee endorsed this concept, a consensus was not achieved and resistance to this approach was clearly evident.

Based on the controversial nature of this proposal and the inability to achieve consensus regarding its basic components, no proposal for implementation is being proposed and further consideration of this item or any related item has ended.

RECOMMENDATION

The MDHE staff recommend that the Coordinating Board for Higher Education direct staff to remove State Student Financial Aid Committee Recommendations 5 (A+ Need Sensitivity) and 6 (Transfer Scholarship) from the plan for implementation of the State Student Financial Aid Review.

ATTACHMENTS

- A. December 12, 2018, Letter to the Coordinating Board from the Council on Public Higher Education
- B. February 7, 2019, Letter to Commissioner Mulligan from the Missouri Community College Association



Council on Public Higher Education in the State of Missouri

Mun Choi
President
University of Missouri System
Columbia, MO 65211
COPHE Chair

John Jasinski
President
Northwest Missouri State
University
Maryville, MO 64468
COPHE Vice Chair

Susan L. Thomas
President
Truman State University
Kirksville, MO 63501
COPHE Treasurer

Jerald Woolfolk
President
Lincoln University
Jefferson City, MO 65101

Carlos Vargas
President
Southeast Missouri State University
Cape Girardeau, MO 63701

Dwaun Warmack
President
Harris-Stowe State University
St. Louis, MO 63103

Clif Smart
President
Missouri State University
Springfield, MO 65897

Robert Vartabedian
President
Missouri Western State University
St. Joseph, MO 64507

Alan Marble
President
Missouri Southern State University
Joplin, MO 64801

Roger Best
President
University of Central Missouri
Warrensburg, MO 64093

C. Alexander Cartwright
Chancellor
University of Missouri- Columbia
Columbia, MO 65211

Mauli Agrawal
Chancellor
University of Missouri – Kansas City
Kansas City, MO 64110

Christopher Maples
Interim Chancellor
Missouri S&T
Rolla, MO 65409

Thomas F. George
Chancellor
University of Missouri-St. Louis
St. Louis, MO 63121

December 12, 2018

Coordinating Board for Higher Education
c/o Department of Higher Education
205 Jefferson Street
Jefferson City, MO 65101-1469

Dear Coordinating Board members,

We greatly appreciate the State Student Financial Aid Committee's work and support their recommendations with one small exception that we encourage you to reconsider.

We strongly support the establishment of a Transfer Scholarship for those students who are participating in the A+ program whose goal is to transfer in pursuit of a bachelor's degree. Indeed, these are the majority of A+ students as information presented to the committee indicated that more than 70% of A+ students intend to transfer and earn a bachelor's degree.

Under the CBHE's leadership we have already made great progress in making transfer seamless and student-friendly through the development of the Core 42. The whole purpose of the Core 42 is to ensure that for students who find it in their best interests to transfer prior to receiving an associate's degree there is a guarantee that those hours will count toward their bachelor's degree.

Limiting the Transfer Scholarship to only those students who stay at the community college until they receive their associate's (as recommended by the Committee) undermines the Core 42 and fails to support those students for whom transferring after completing the Core 42 is the best path to their degree.

Thus we strongly urge the Coordinating Board to adjust this aspect of the recommendations before directing the department to pursue implementation.

Current recommendation:

To encourage and reward persistence and completion, it is recommended that Missouri develop a transfer scholarship to assist A+ eligible students who successfully transition from a two-year to a four-year institution. Eligibility for the program should be contingent upon successful completion of the A+ program while in high school and successful completion of *an associate degree* at a public community college.

Suggested revision:

To encourage and reward persistence and completion, it is recommended that Missouri develop a transfer scholarship to assist A+ eligible students who successfully transition from a two-year to a four-year institution. Eligibility for the program should be contingent upon successful completion of the A+ program while in high school and successful completion of *the Core 42 or an associate degree* at a public community college.

Even with this adjustment, there will still be a strong financial incentive for students to stay at the community college for those 18 hours between completion of the Core 42 and the associate's degree.

Right now, if the A+ student stays at the community college to get from 42 to 60 hours it costs them \$0.

For them to transfer to a public university for those 18 hours it will cost them in the neighborhood of \$6,000 to \$7,000 (just for tuition).

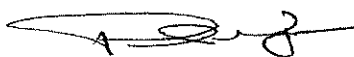
If there is a transfer scholarship, then it will still cost students \$0 to stay and complete those 18 hours at their community college.

If a student transfers, their cost of \$6,000 to \$7,000 will be reduced by \$500 or whatever the amount of the transfer scholarship turns out to be.

So the impact of this change to the students would be the difference between \$0 and around \$6,000, to between \$0 and something like \$5,500. This difference will not be particularly impactful to any institutions, but could be quite impactful for those students.

If a student wants to transfer at 42 hours, common sense says that they must have a really good reason to want to take on the extra expense to do that. They have determined that it is in their best interest, it is the right decision for them in reaching their goals, to transfer at that time. It is not good public policy to, in the case of every single student, say that the state know best when they should transfer, and there will be no support if it's before 60 hours. This cannot be in the best interest of all students and we encourage you to change this propose program accordingly.

Sincerely,



Paul Wagner, COPHE Executive Director

Cc: Zora Mulligan, Commissioner of Higher Education
Leroy Wade, Deputy Commissioner, Missouri Department of Higher Education

mcca MISSOURI COMMUNITY COLLEGE ASSOCIATION

Commissioner Zora Mulligan
Missouri Department of Higher Education
205 Jefferson Street
Jefferson City, MO 65102

February 7, 2019

Dear: Commissioner Mulligan,

Thank you for meeting with the MCCA Presidents/Chancellors Council a few weeks ago. We appreciated the conversation about student financial aid and student transfer policy. As promised, you will find detailed information below about the data we collected to portray the increased success of students who transfer after earning an associate degree, rather than before. The data supports the position we shared with you that a transfer scholarship that entices students to transfer prior to earning their associate degree is not in the best interest of the student and their ability to succeed.

The National Student Clearinghouse Research Center (NSCRC) examined the postsecondary outcomes of students who transferred from two-year to four-year institutions in three different academic years. Results were very consistent across years. In each year studied, about 60 percent of all two-to-four transfer students graduated with a bachelor's or higher degree within four years of transferring. In addition, another 12 percent of all transfer students had not yet graduated but were still enrolled at a four-year institution in the last year of analysis. In total, about 72 percent of students either graduated or persisted.

Using NSCRC's methodology we looked at the combined statewide transfer outcome data for Missouri's community colleges, specifically the difference in graduation/persistence four years out between students who earned their associate degree prior to transferring and those who did not.

We looked at students enrolled at our colleges between July 1, 2013 and June 30, 2014 and above the age of 18 (as of June 30, 2014). Using the Clearinghouse to check for Subsequent Enrollment on or after July 1, 2014 we created a cohort of those students who showed as enrolled at a four-year institution between July 1, 2014 and June 30, 2015 with two exclusions:

Missouri Community College Association
Where Missouri's community colleges unite for advocacy, education, information, and networking.
2420 Hyde Park Rd., Suite B · Jefferson City MO 65109
Phone (573) 634-8787 · Fax (573) 634-8865
mccatoday.org

- 1) Students who were enrolled only during a summer term (*May 1 to August 31 of a given year*).
- 2) Students who were still concurrently enrolled at a community college during that year.

We then used the Subsequent Enrollment results to determine if their Clearinghouse results showed a “Graduation Date” on or before June 30, 2018 and a Degree Title that is bachelor’s level or higher. If they had not graduated but showed enrollment activity at a four-year institution between July 1, 2017 and June 30, 2018, then they were recorded as “Still Enrolled.”

	Earned Associates				Did Not Earn Associates			
	Student Cohort	Graduated	Still Enrolled	Graduated (%)	Student Cohort	Graduated	Still Enrolled	Graduated (%)
Total	2,891	2,036	295	70%	12,699	7,533	2,288	59%

Upon aggregating this data, we found that students who earn an associate degree before transferring have a significantly higher graduation rate at universities (70%) compared with those who transfer without one (59%). This is consistent with NSCRC’s findings as well. For reference, see the link below.

<https://nscresearchcenter.org/wp-content/uploads/SnapshotReport8-GradRates2-4Transfers.pdf>

Additionally, we understood from our conversation with you that the recommendations from the Student Financial Aid Task Force would not include prior recommendations related to A+, especially those supporting a shift toward means testing for A+. We appreciate your understanding of our many concerns with respect to this recommendation. A+ is an invaluable program for students, families, and school districts and we would hate to see Missouri move away from the success of this tremendous program. We will continue to work with you and the Department to increase completion rates for Missouri’s neediest students as we also see this as a priority and a worthy goal to be working toward.

Thank you again for the positive conversation last month. We look forward to the opportunity to dialogue in this format on a more regular basis.

Sincerely,

Brian

Brian Millner
 President/CEO – Missouri Community College Association