

State Financial Aid Programs and Full-Time Attendance

Policy Brief Commissioned by **Complete College America**

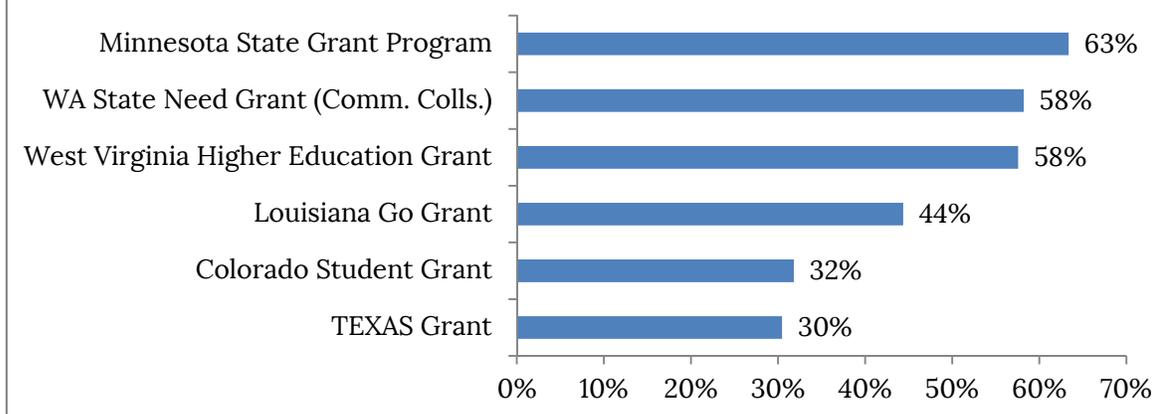
October 2013

Most state financial aid programs follow the lead of the federal Pell grant program in capping support for students at 12 credits per term, even when tuition and other costs are higher. But whether in a semester or a quarter system, students generally need to enroll in 15 credits per term to complete an associate degree in two years or a bachelor's degree in four (assuming they do not take summer courses). Unfortunately most students, including “full-time” students, aren't doing that, as outlined in a related brief on attendance patterns at more than 300 institutions in 30 states (“How Full-Time are ‘Full-Time’ Students”).

But what about low-income students, and especially those eligible for state aid programs? We recently collected data from six state need-based aid programs on the number of credit hours their recipients take. While the programs vary in their eligibility and administration, the variation was striking, with a low of 30% of nominally “full-time” students enrolled in 15 hours to a high of 63%. Three programs stood out for having a relatively high proportion of low-income students actually taking 15 hours. In each case, there is a helpful policy that helps explain the numbers.

- **Minnesota leverages state aid.** Minnesota state grants pick up where Pell grants leave off, by providing additional support for low-income students who want to take more than 12 credits per term. By funding students up to 15 hours, instead of 12, the state lifts the ceiling imposed by the federal program.
- **West Virginia uses flat rate pricing.** Students at most West Virginia institutions, including community colleges, pay a flat rate for full-time attendance (12+ hours), so it doesn't cost them more to take 15 hours than 12.

Percent of Full-Time Students Taking 15+ Hours in Six State Need-Based Aid Programs, Fall 2012



While this is common at four-year institutions in other states, it is unusual at community colleges, which many low-income students attend. (Also, many of the state's need-grant recipients receive additional merit-based PROMISE grants, which require students to complete 30 hours per year.)

- **Washington's default course schedule is on track at 15 hours.** Most courses at Washington community colleges are five credits, and the default full-time load is three courses per quarter (nine per academic year), which is enough to graduate on time. Students who take two courses (10 credits) do not get the maximum state grant or Pell award, and courses of less than 5 quarter credits are unusual. Data here are only for community college students with state need grants, making the high proportion taking 15 hours even more impressive.

What should states do?

While state financial aid programs remain a relatively small part of most states' higher education budgets, and collectively spend only about a third of what Pell grants provide, they can be an important part of the support and incentive structure for low-income students. States and institutions that want to improve completion rates and make the most of their investment should:

- **Understand your incentives for low-income students.** How much do low-income students pay (or receive as a refund) when they take 9, 12, or 15 hours per term? At most community colleges, state and federal aid awards often exceed tuition, and eligible students get money back each term for books and

living expenses. But since the grants are usually capped at 12 hours, and since tuition is usually charged by the credit hour rather than at a flat price for 12 or more credit hours, students get a larger refund when they take 12 hours than when they take 15. In the three states above, students who take 15 hours get the same amount or more refunded than they would if they took fewer courses.

- **Collect and analyze the data on student course loads.** State aid programs often don't know the proportion of students taking 15 hours, since they often have only a "yes/no" indicator for whether a student is "full-time." Linking enrollment and aid databases, or requiring institutions with state aid recipients to report numbers of hours attempted, is one way to start looking for patterns.
- **Use pricing, aid, and default schedules** to align students' short-term choices with their long-term interests. Free tuition after 12 hours, financial support for 15 credit attendance, and standard 15 credit schedules are powerful ways to put low-income students on a level playing field with their better-off counterparts.

Data for Six State Aid Programs				
	Recipients	Full-Time Recipients	Recipients Taking 15+ Hours	% of "Full-Time" Taking 15+ Hours
TEXAS Grant	72,350	66,906	20,375	30%
Colorado Student Grant	59,290	39,046	12,420	32%
Louisiana GO Grant	26,245	22,089	9,802	44%
West Virginia Higher Education Grant	16,248	16,094	9,265	58%
Washington State Need Grant (Community Colleges)	34,960	27,630	16,083	58%
Minnesota State Grant Program	74,273	58,550	37,101	63%