



## State Policy Toolkit: Focus on Need-Based Aid

This is the first of five installments in the National College Access Network's State Policy Toolkit. The toolkit reflects NCAN's [Model State Policy Agenda](#), which aims to provide NCAN members and partners, particularly those in networks or coalitions, with a guide to develop their own state policy goals and agenda. Moreover, the toolkit provides examples of effective policies and programs to help organizations develop and guide their state policy advocacy strategy. Each installment topic is derived from NCAN's model agenda and is categorized under **affordability** or **talent development**. Subcategories for affordability include *need-based aid* and *funding strategies*. Beneath talent development are *preparation*, *access*, and *success*.

**Focus on Need-Based Aid — NCAN's stance:** Given that low-income students, students who are first in their family to enroll in higher education, and students of color are least likely to go to college, states should provide the opportunity for all students to continue their education after high school. States should: (1) establish a minimum threshold for need-based aid and not dip below it, (2) design state aid programs that align with the economic needs of the state, and (3) use early awareness strategies to set expectations and provide financial resources.

### **Establish a minimum threshold for need-based aid and don't dip below it.**

[Need-based state aid](#) targets students and families who need the most help paying for college. Unlike merit-based aid, it does not take other factors such as academic achievement into consideration. A vast majority of states have programs that award need-based aid in the form of grants, and most of this financial assistance is awarded to students who are attending an institution in their home state. This is not always the case, however. Below are resources that provide insight into states' need-based aid policies and appropriations.

- The National Association of State Student Grant & Aid Programs conducts an annual survey that illustrates the trends and current status of state aid. [The resulting reports](#) include the amount of need-based aid awarded by state, as well as nationally. Data from the 2015-16 academic year are available [here](#).
- The National Association of Student Financial Aid Administrators has developed [an interactive tool](#) that directs users to each of the 50 states' aid program website.
- The State Higher Education Executive Officers Association produces an annual [State Higher Education Finance](#), or SHEF report. It seeks to "broaden understanding of the context and consequences of multiple public policy decisions" in state legislatures. Data from fiscal year 2016 are available [here](#).

### **Design state programs that align with the economic needs of the state, encouraging students to pursue opportunities that align college and career.**

Programs that align with the economic needs of individual states have been established throughout the country. Most resulted from actions by state legislatures, executives, or public-private partnerships.

- In August 2017, the North Carolina state legislature enacted a bill that created the Board of Postsecondary Education Credentials. The board's [primary goal](#) is to "review and make recommendations regarding a statewide system of postsecondary education that links industry, corporations, and businesses in this State with educators, government, and community organizations to identify workforce skills and training needs and to ensure that appropriate courses of study and vocational training are available to North Carolinians."



- In May 2015, the [National Skills Coalition](#) announced an initiative that is providing four states with technical and financial assistance in an effort to “create policies that close skill gaps and create more equitable, efficient, and aligned state workforce development and education systems.” After becoming a beneficiary, California amended [Assembly Bill 2148](#) to improve the alignment between workforce and education programs and the state’s labor market.
- In April 2015, the governor of Rhode Island announced the initiative [Real Jobs Rhode Island](#). Its goal is to connect employers with prospective employees who have skills the employer needs, and vice versa. A November 2017 [report](#) demonstrates that the initiative is having a substantial impact: During those 18 months, it placed 1,033 new hires, accounted for the completion of 35 college internships and 123 high school internships, and provided 681 workers with a new skill.

**Use early awareness strategies to set expectations and provide financial resources — such as early commitment scholarships, place-based promise scholarships, awareness campaigns, and children’s savings accounts/college savings accounts.**

Early awareness strategies for higher education have proven effective for decades. The means to achieve this result vary, and the most successful campaigns include a combination of these strategies. Moreover, such programs are strengthened when they are backed by state legislatures.

- **Early Commitment Scholarships** — In 1990, through the Indiana Commission for Higher Education, Indiana created the statewide [21st Century Scholars Program](#). It covers the full amount of tuition and fees [under two conditions](#): the student’s family must meet household income criteria, and the student must sign a pledge to meet academic and behavioral requirements. Given that this pledge is made when students are in 7th grade, this initiative serves doubly as an early awareness campaign and an early commitment scholarship.
- **Place-Based Scholarships** — The [Kalamazoo Promise](#) in Michigan allows Kalamazoo Public Schools graduates to apply for a scholarship that covers up to [75 percent of tuition and fees](#), depending on how long applicants have been in the three-school district. To remain eligible, students must maintain at least a 2.0 GPA at their postsecondary institution, take at least 12 credit hours per semester, and meet other requirements. [Research shows](#) that this form of scholarship can be an effective way for school districts to recruit, retain, and graduate high school students.
- **Awareness Campaigns** — Founded in 1988 in Columbus, OH, I Know I Can (IKIC) provides 6th-8th graders and their families in all Columbus City Schools with access to [college preparation programs](#). Students remain enrolled in IKIC throughout their higher education, and are also eligible for grants and scholarships. Services include mentoring, financial assistance, and one-on-one advising.
- **Savings Accounts** — [Maryland 529 Savings Plan](#): Formerly known as the College Savings Plan of Maryland, Maryland 529 offers [two types of plans](#) to save for college. One, investment plans, allows families to invest at their own rate and in a portfolio of their choice. These funds can then be used not only for tuition, but also fees, room and board, and school supplies. The second option is the prepaid tuition model, which allows families to pay for tuition before the beneficiary has enrolled. The primary benefit of this plan is that it locks in the current tuition rate, thereby guarding families from future increases. Funds from this plan can go toward tuition and mandatory fees, and be applied to almost every accredited two- or four-year institution in and outside of Maryland. In October 2016, Morningstar, a Chicago-based, independent investment research firm, produced a rankings of the nation’s top education savings accounts. The rankings are available [here](#).