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News from NASFAA

Plugging Leaks in the Education Pipeline

Washington, D.C. (February 2007) – State and national lawmakers are realizing the devastating costs of students leaking out of the education pipeline. A recent Texas report estimates that the average cost to state taxpayers for each high school dropout is somewhere near \$377 million over the course of a lifetime. Other studies have found that tax revenue may be short-changed by the number of students who halt their educational pursuits after high school.

“This research brings into sharp focus the disastrous results of not embracing bold steps to reform our public education system,” said Rod Paige, former U.S. Secretary of Education in a recent Associated Press article. “No society can long prosper under the weight of so many children lost.”

Some are advocating for inventive changes in the way students progress from kindergarten through college, hoping to retain as much talent in their state along the way. Here are some innovative plans that have recently been proposed or enacted around the country that use some form of student aid in an attempt to plug the education pipeline leak.

California: The state just increased the maximum Cal Grant to \$9,700, Cal Grant is a guaranteed, state-funded grant for all California students with a minimum 2.0 grade point average. The grant is renewable annually and goes a long way in helping pay the costs of college. “We want to get [their] attention with the money,” said City Council President Eric Garcetti in a recent Los Angeles Times article. “But what's more important is what you want to do with your life. With a degree, you can help make that choice.”

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“Opening Doors of Educational Opportunity”

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Colorado: A Colorado state legislator recently introduced a bill that would encourage low-income students who might be tempted to work immediately after high school to consider a postsecondary education instead. The bill would allow high school students to earn a high school diploma and an associate’s degree simultaneously within five years of beginning high school – all at Colorado’s expense. Proponents believe that the bill will accomplish two goals: encourage students in ninth grade to begin thinking about higher education early, and help them better transition from high school to college with a group of friends.

Indiana: Using both the carrot and the stick, Governor Mitch Daniels just announced the Hoosier Hope Scholarship, which would give students \$20,000 in grant aid over four years of postsecondary education. There’s a catch, though: students who accept the funds and then leave the state within three years after graduation must repay the funds. “Let’s make the dreary term ‘brain drain’ a forgotten phrase,” said the governor in his State of the State address. Some are concerned that the state is using the wrong approach – trying to coerce students to stay when there may not be any jobs for them. Supporters of the bill argue that retaining talent in the state will encourage companies to move towards the talent base.

Michigan: The Detroit public school system, in cooperation with a local community college, recently announced a program that would require all eighth graders to take college-level life skills classes next year. The program was announced in response to the “ninth-grade bulge” – a phenomena documented in a 2003 Boston College study that showed a significant decrease in the number of students that go on from ninth to tenth grade. Detroit students will receive one credit hour for the class that is being funded by Wayne County Community College. Hopes are that getting students exposed to college early will motivate them to continue through high school into college.

North Dakota: Students at the state’s 11 public, four-year schools graduate with the second highest average debt levels in the country at \$22,839. In response, state lawmakers are considering the North Dakota Promise, a bill that would mandate that the state cover 65 percent of college tuition for students that meet certain requirements. Besides reducing the financial burden for families, lawmakers hope that the North Dakota Promise will decrease dropout rates and entice young families to move to North Dakota to raise their children. Student groups believe that the Promise would allow students to work fewer hours during college, focus more on academics, and graduate sooner.

Oklahoma: The word “unconventional” sums up Oklahoma Wesleyan University’s recent effort to drum up “buzz” about higher education by placing a year’s worth of tuition, room, and board up for auction on eBay. The winning bid? \$18,669.99, slightly less than the \$19,900 price tag. Wesleyan points out that 90 percent of students at their institution receive financial aid and hopes that the auction will draw attention not only to the school, but also to tuition and financial aid – which the winning bidder is required to apply for.

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Tennessee: In an effort to help students who may not qualify for the state’s merit-based Hope Scholarship, Governor Phil Bredesen has proposed a \$10 million aid package for students that score at least 19 on the mathematics portion of the ACT and earn at least a C average in high school. At that appropriation level it is estimated that students who meet those criteria would be able to attend any state community college for free.

Texas: The Texas governor has recently proposed that all grants would convert into zero-interest loans for students that do not complete their educations on time. Texas, like many states, is seeing drastic increases in the length of time it takes students to graduate. En route to graduation, “many students leave school for semesters at a time to work or take fewer classes because the textbooks are too expensive, causing them to graduate in eight, nine and even 10 years, if at all,” reported the Houston Chronicle.

Exploring Innovative Options

The lines between secondary and postsecondary success are blurring as states have moved from a “K-12” to a “K-College” mentality. NASFAA continues to work with national legislators and policymakers to move in the direction of complete access to higher education. Schools and state associations may find it productive to work with state and local legislators to explore and propose additional, innovative ways to increase access and awareness about the benefits of a postsecondary education.

What’s happening in your state?

NASFAA is interested in innovative proposals and initiatives going on in every state. Please share what is happening in your state with us at Web@nasfaa.org.

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The National Association of Student Financial Aid Administrators (NASFAA) is a nonprofit membership organization that represents more than 12,000 financial aid professionals at nearly 3,000 colleges, universities and career schools across the country. Based in Washington, D.C., NASFAA is the only national association with a primary focus on student aid legislation, regulatory analysis, and training for financial aid administrators. Each year, members help more than 8 million students receive funding for postsecondary education. In addition to its member Web site at www.NASFAA.org, the Association offers a Web site with financial aid information for parents and students at www.StudentAid.org.