



# Equitable Need-Based Aid in Colorado

September 2, 2021

# Equitable Need-Based Aid

# The Value of Need-Based Aid in Colorado

Financial aid is a critical tool to increasing access to higher education.

- In 2020, public institutions in Colorado had \$5,591 in education appropriations per FTE, approximately 65% of the U.S. average. General operating appropriations in Colorado have decreased 29.7% per FTE from \$6,332 in 2001 to \$4,451 in 2020.
- In 2020, the student share of total education revenue was 67% in Colorado. The national average is 44%.
- Tuition has increased at public 2-year institutions from \$3,030 to \$4,820 (59%) and at public 4-year institutions from \$5,110 to \$11,420 (123%) between 2004-05 to 2020-21.
- The purchasing power of Pell has declined tremendously. In 1975, the maximum Pell Grant covered over 75 percent of the average cost of attendance. Today, it covers less than 30 percent.
- The benefits of financial aid are well documented—an additional \$1,000 of grant aid increases a student's likelihood of enrolling in college by four percentage points.

# The Role of Data

- A culture of **consistent data use** supports **strategic and informed** decision-making to reinforce institutional, system, and state **goals** and **priorities**.
- Data should be **disaggregated** by race and ethnicity as well as by other key student characteristics, including income, income, age, first-generation students, and others identified by the state as priority. Some indicators to consider include:
  - Aid awarded, including average award amounts
  - Unmet need
  - Student loan debt
  - Access to basic needs like housing and food
  - Eligible students who are served and not served

# Key Design Questions

1. Does the program prioritize students with the greatest **financial need**?
2. Is the program **simple** (e.g., application, awarding)?
3. Does the program support students' **costs beyond tuition**, such as food, housing, or childcare?
4. Does the program support other priority student populations, such as **adult learners**, **undocumented students**, or **transfer students**?
5. Does the program have **eligibility criteria** that create access barriers to students, such as those based on age, time since high school graduation, or GPA?
6. Does the program support other programs, such as **short-term credentials**?
7. Does the program supplement other aid sources and avoid **aid displacement** as much as possible?
8. Is the program **timely**?

# Key Equity Questions

1. Has a clear **definition** of equity been established to guide **strategic decision-making** and provide a common framing for setting **goals** and **priorities**? How does this interact with decisions about **allocation** and **disbursement** policies and **awarding** and **packaging** practices?
2. Are the most **financially vulnerable** students being **prioritized**?
3. Is there a culture of consistent **data use** to provide an understanding of which students are being served well and which students are facing barriers to equitable access?
4. Do students have the **supports** they need to **understand** and **apply** for the aid that is available to them? Do they have access to **estimates** of the aid they are eligible for (e.g., award tables or calculators)?
5. What **outreach** efforts are in place to target priority student populations?

# Key Case-Building Questions

1. What goals (e.g., attainment, workforce) does the state have in place? How can financial aid be leveraged as a tool to help advance these goals?
2. How do students who receive aid perform relative to those who are eligible—and share similar characteristics—but do not receive aid?
3. What proportion of eligible students receive the full amount of aid for which they are eligible? What proportion of eligible students receive at least some aid?
4. What share of financial aid is distributed to students from families with different income levels?
5. How does financial aid incorporate incentives to promote student success and progress toward completion?

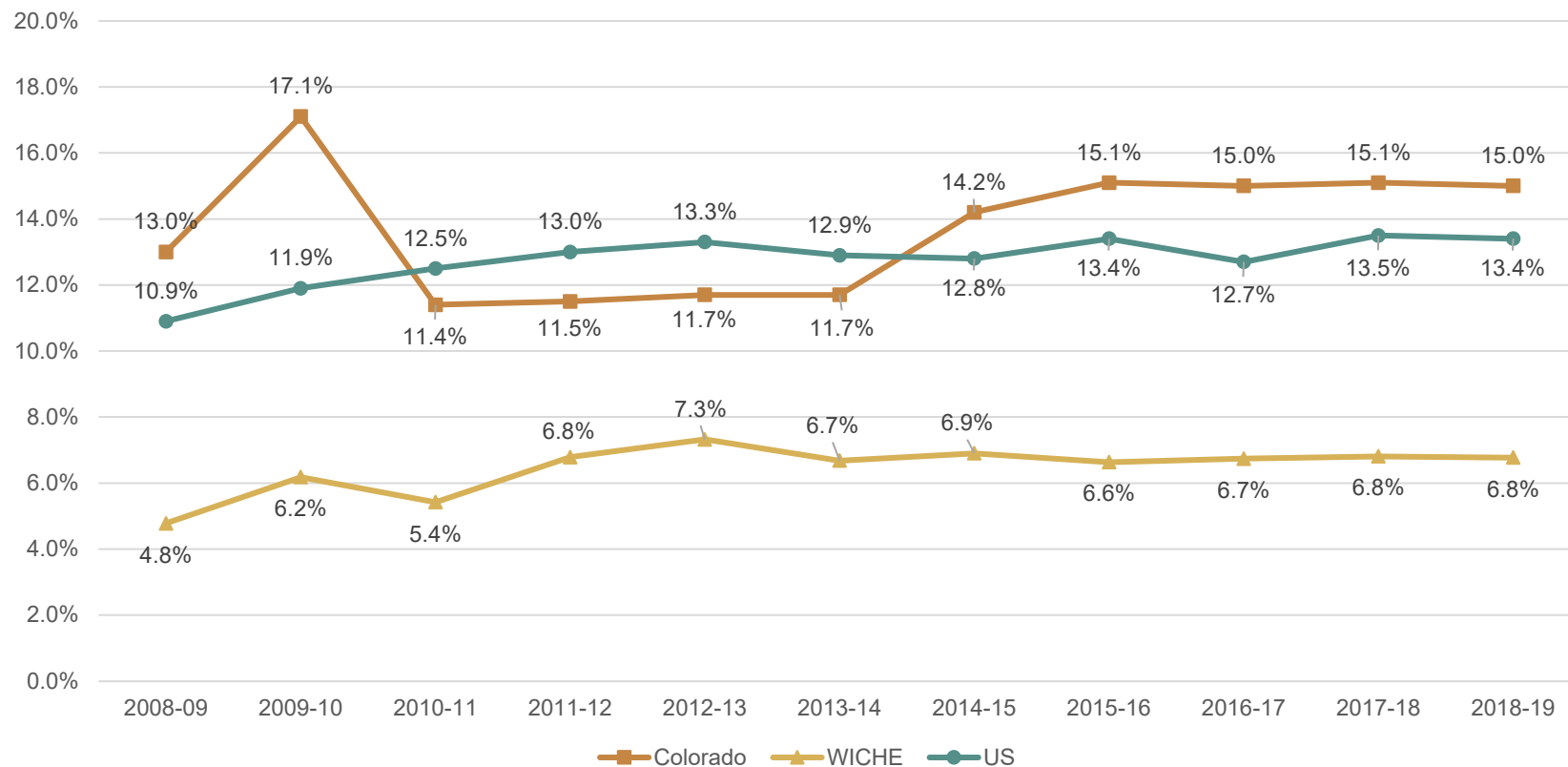
# Other Considerations

1. Is financial aid being approached as an **access** tool rather than from a **compliance** perspective?
2. Is financial aid being leveraged as a tool to encourage **student success** and progression toward graduation (e.g., award bonuses)?
3. What **FAFSA completion** efforts are in place?
4. Has the state invested in **emergency aid**?
5. Has the state considered an **equitable free college** program?
6. How is **tuition revenue** being used for financial aid?
7. How do **allocation** and **disbursement** policies account for different institutional **costs**?



# National and Regional Comparisons

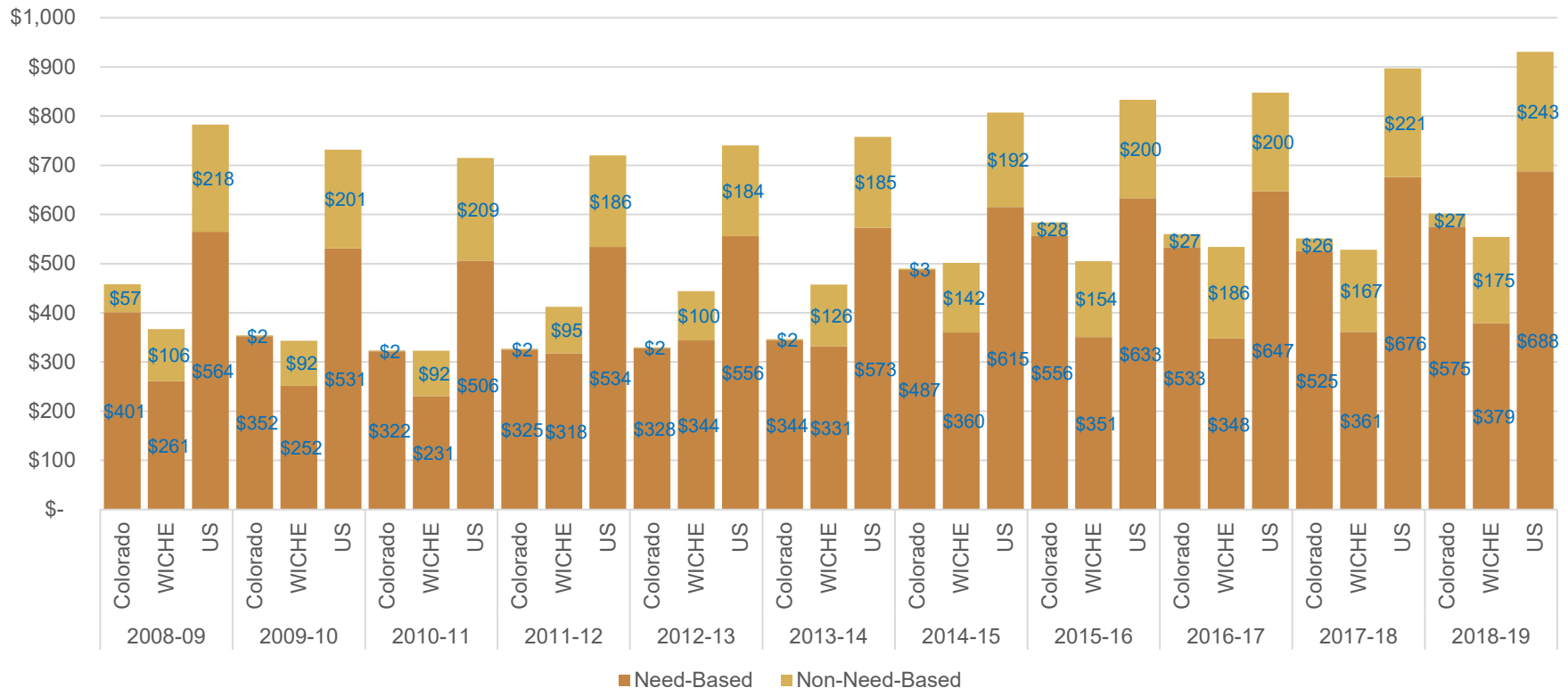
## Total State Grant Expenditures as a % of State Fiscal Support for Higher Education Operating Expenses



### Key Points

- Colorado has been consistently above the WICHE average for the percent of operating expenses allocated to state grant programs.
- Colorado has mostly been above the national average, except for between 2010-11 through 2013-14.

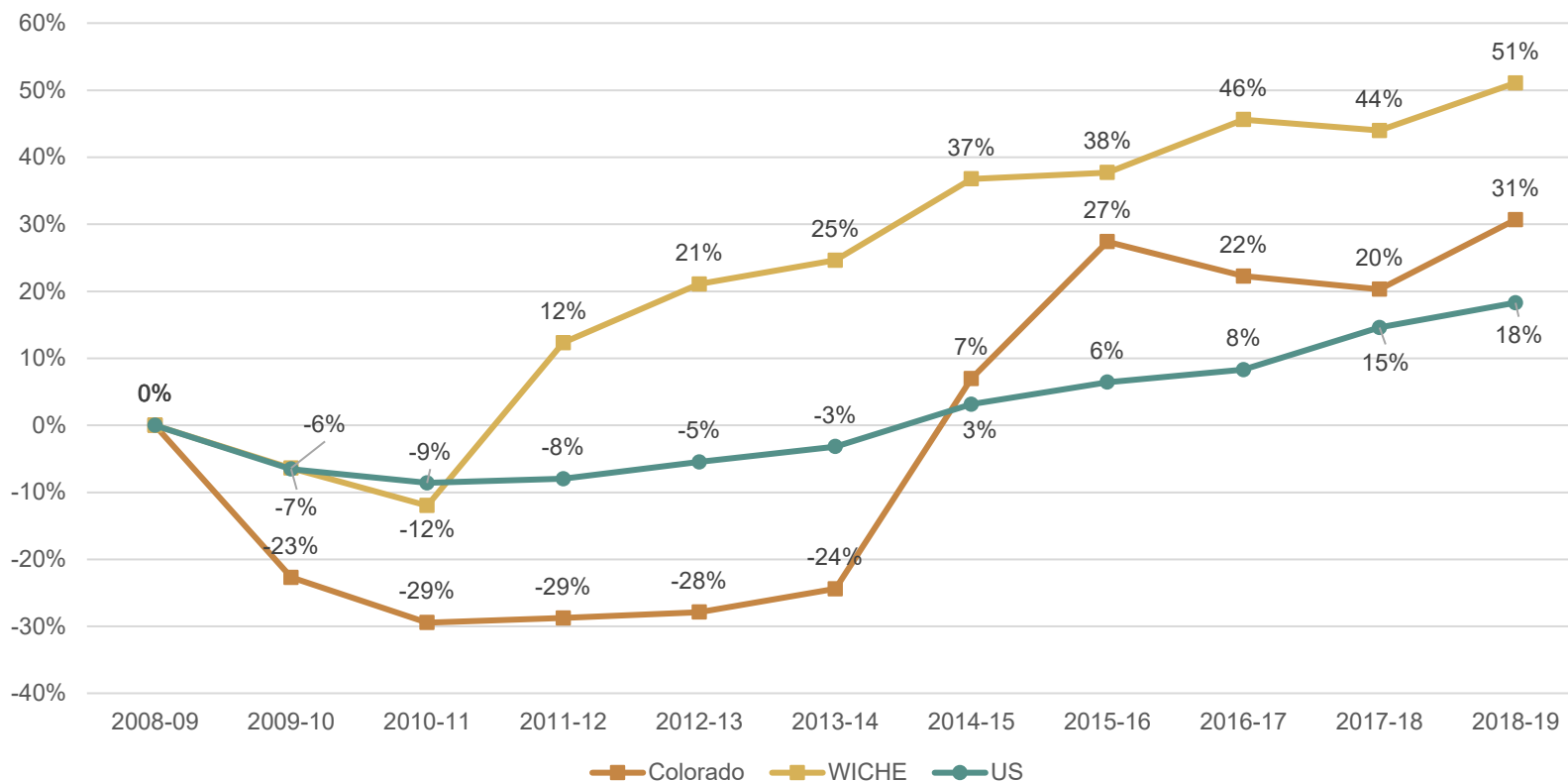
## Estimated Undergraduate Grant Dollars per Undergraduate FTE, 2019 Dollars



### Key Points

- Colorado has consistently been below the national average but above the WICHE average for grant dollars per undergraduate FTE.
- The gap between Colorado and the national average has decreased overall since 2008-09 but has increased slightly since 2015-16.

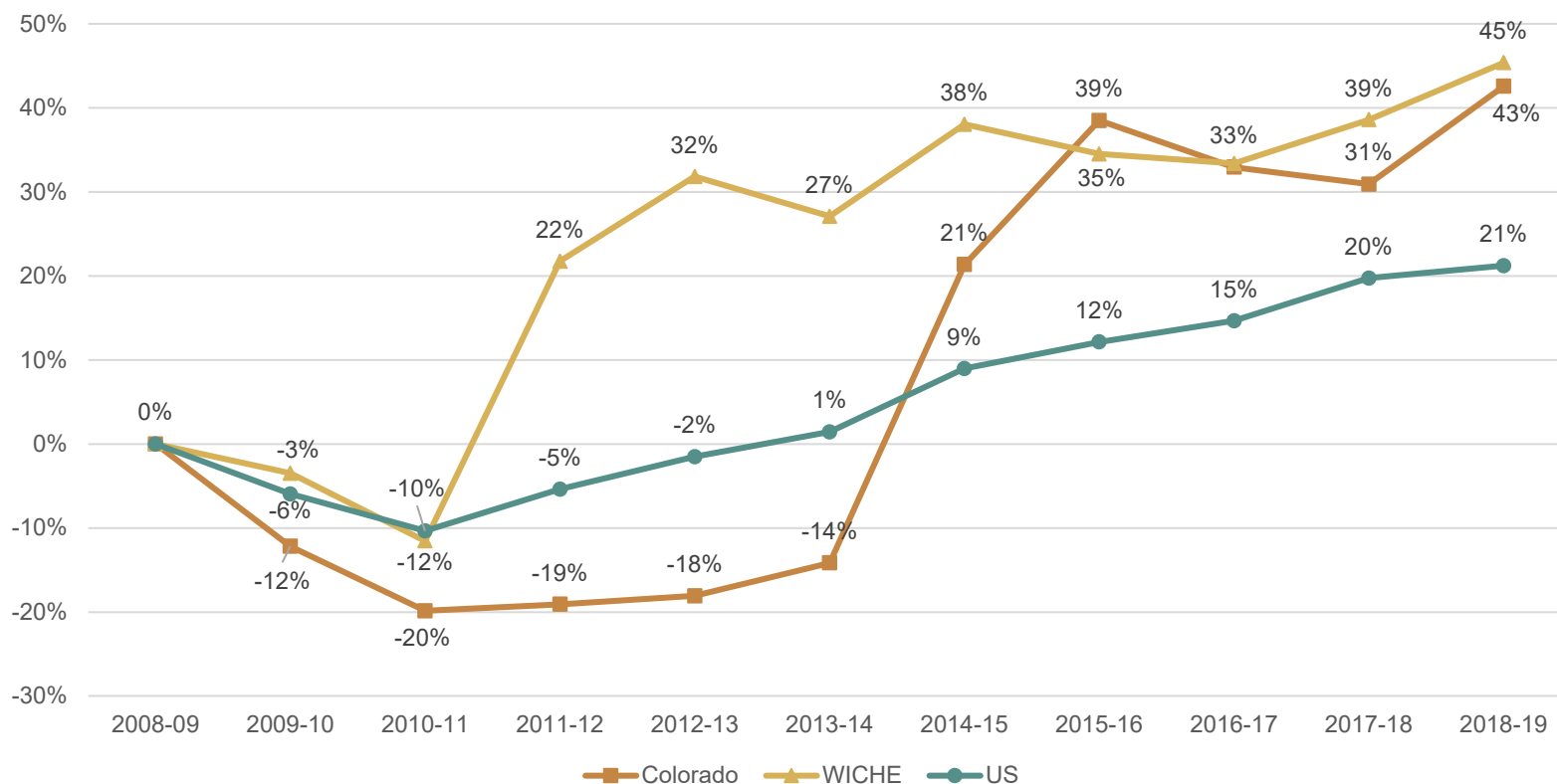
## Total Undergraduate Grant Aid Indexed to 2008



## Key Points

- The total amount of funding for undergraduate aid in Colorado has increased by 31% since 2008-09.
- This is above the national average but below the WICHE average.

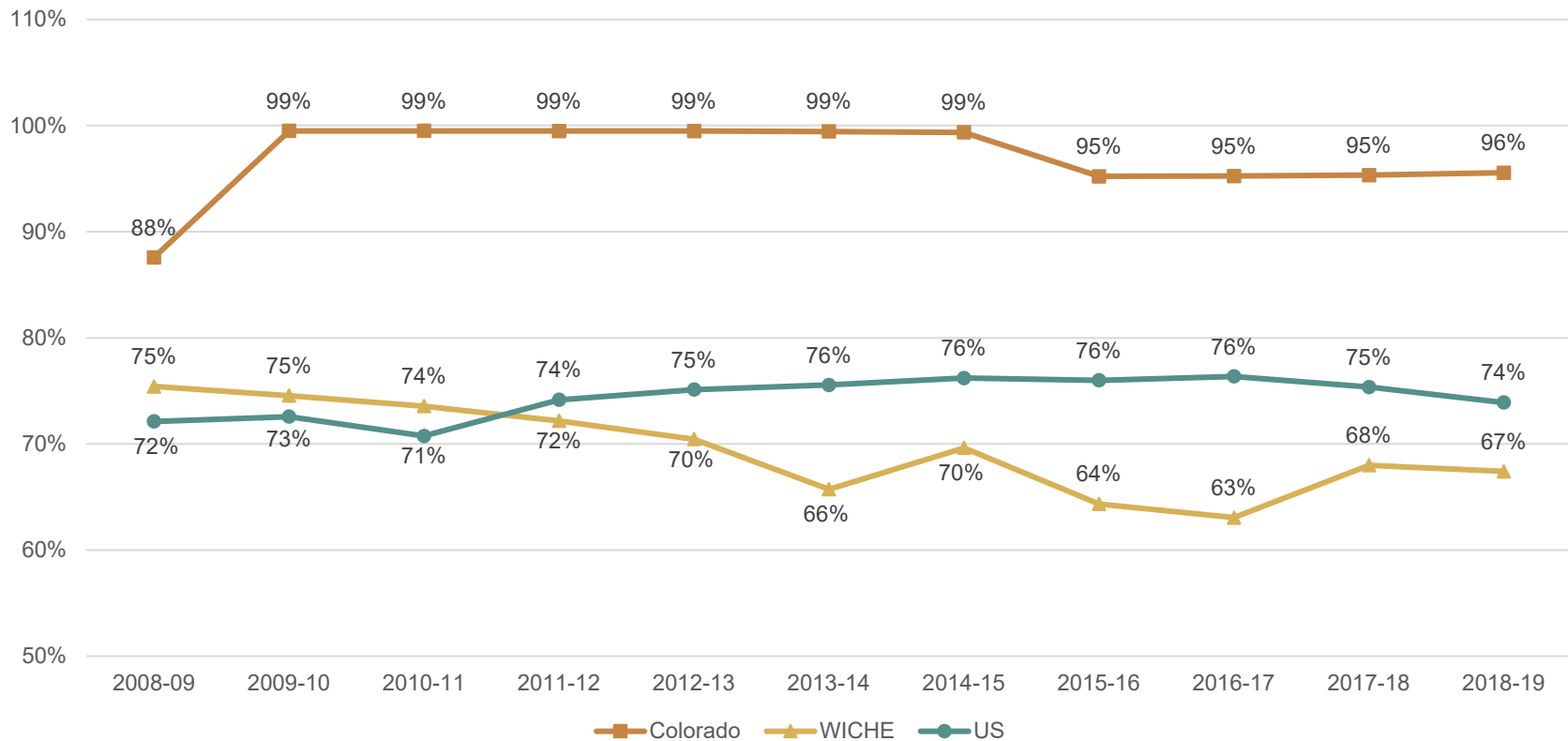
## Need-Based Undergraduate Grant Aid Indexed to 2008



## Key Points

- Colorado's investment in need-based aid has increased by over 45% since 2008-09.
- This is above the national average and on par with the WICHE average.
- Colorado saw greater decreases than the national and WICHE averages in the wake of the Great Recession.

## Share of Undergraduate Aid that is Need-Based

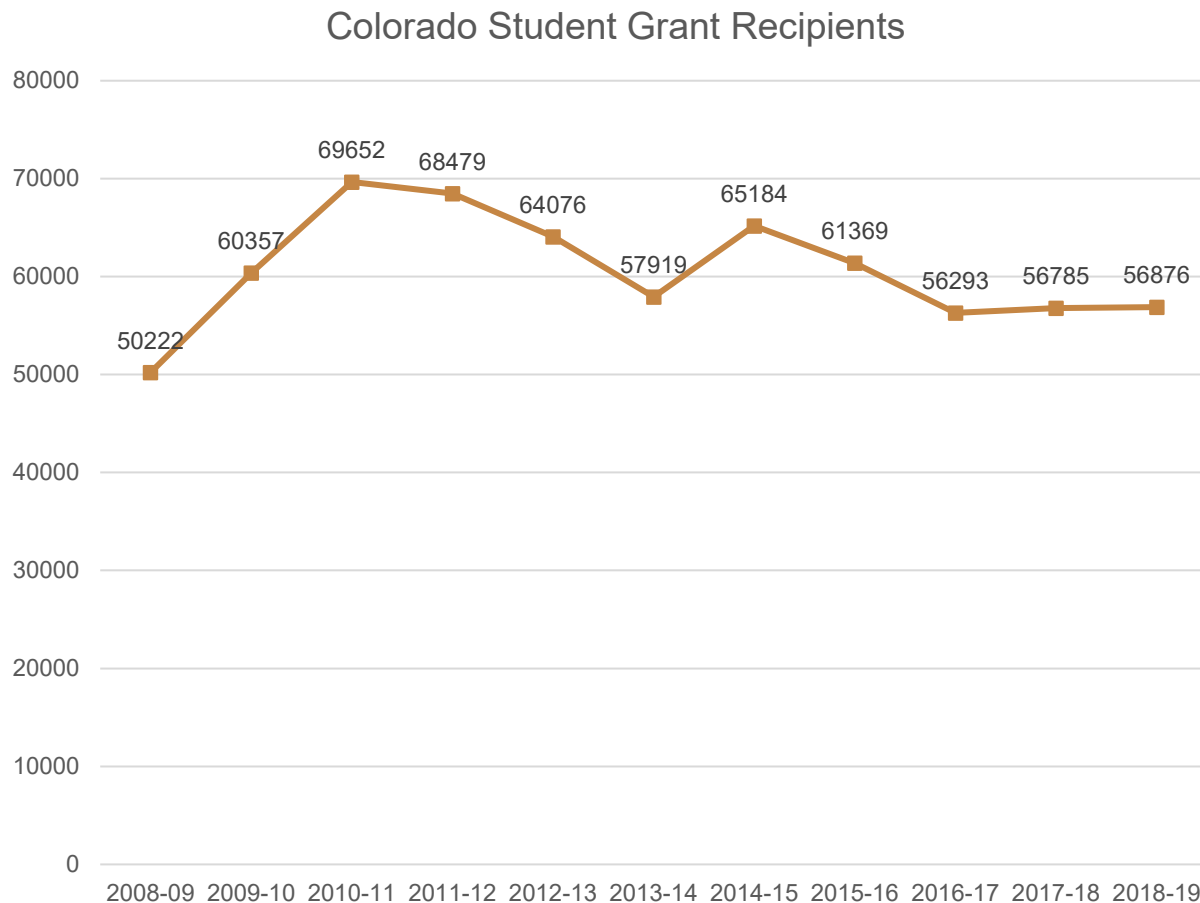


## Key Points

- Most (96%) of Colorado's investment in grant aid is need-based.
- This is above the national average of 74% and above the WICHE average, of 67%.

# Colorado Student Grant

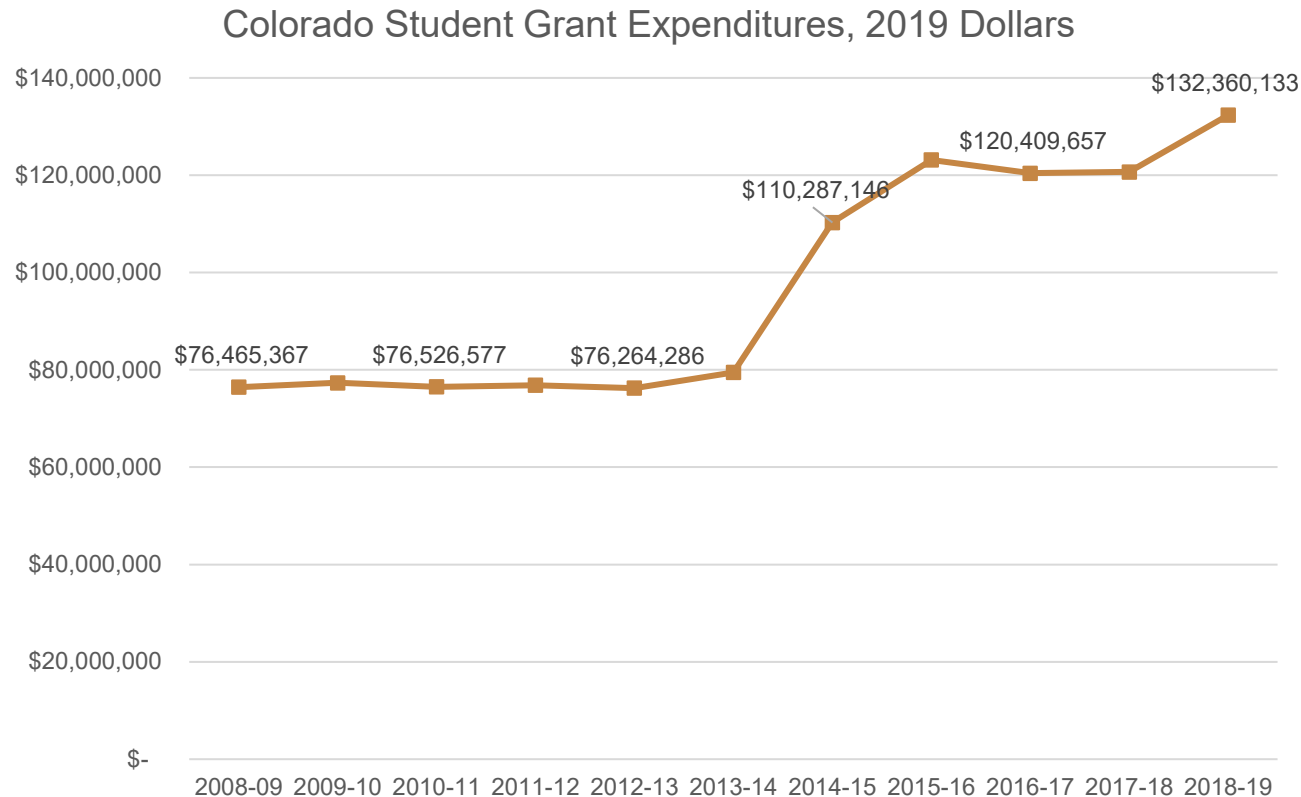
## KEY POINTS



- The number of recipients for the Colorado Student Grant is up by about 6600 students (13%) from 2008-09 numbers but down from a high in 2010-11.

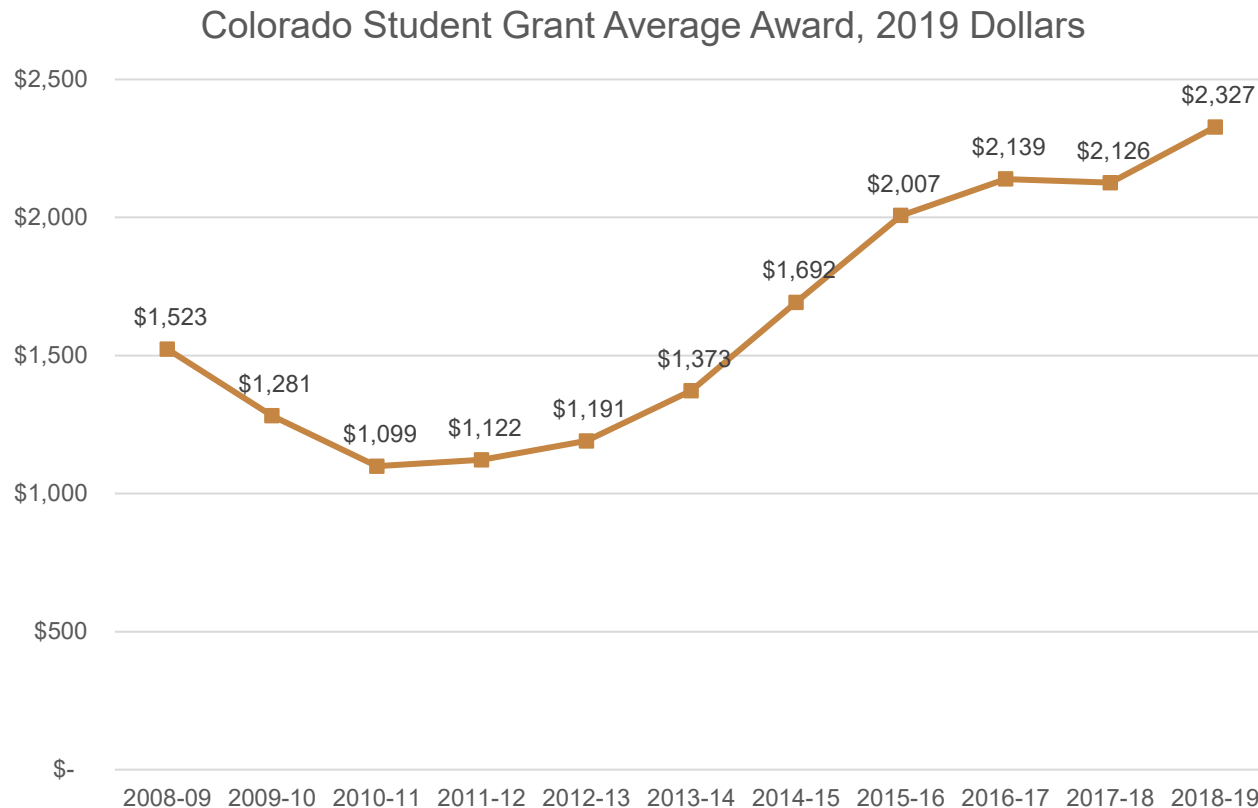


## KEY POINTS



- Colorado Student Grant expenditures are up by approximately \$56 M (73%) from 2008-09 levels.

## KEY POINTS



- Average Colorado Student Grant awards are up by approximately \$800 (53%) from 2008-09 levels.

# State Example: Virginia