

**I. INTRODUCTION**

During the 2018 legislative session, the Governor’s Workforce Cabinet was tasked with conducting a college and career funding review as part of Senate Bill 50. A College and Career Funding Action Team was created, which includes public- and private-sector stakeholders and agency personnel. The team’s work primarily focused on reviewing the requirements for awards, grants, or scholarships within state and federal programs in order to determine measurable return on investment and make recommendations on which programs should be preserved, strengthened, or eliminated.

Ultimately, the group’s goal was to review and see that every dollar spent in preparing Hoosiers for their careers or post-secondary experiences demonstrates substantial, measurable return on investment.

Members of the College and Career Funding Action Team included:

**Bruce Watson**- Chair of the funding team, Governor’s Workforce Cabinet, and Director of Facilities for Fort Wayne Metals

**Chuck Johnson**-Governor’s Workforce Cabinet, Vincennes University President

**Tony Vespa**- Governor’s Workforce Cabinet, Founder of Vespa Group

**Mark Kara**- Governor’s Workforce Cabinet, Assistant to the Coordinator for Local 150 Operating Engineers

**Josh Garrison**- Indiana Commission for Higher Education, Associate Commissioner for Legislation and Program Implementation

The team concluded the review with recommendations that, in addition to strengthening existing programs by better connecting them to career opportunities and outcomes, request greater flexibility from federal strings. While significant improvements have been made in recent years to ensure scholarship recipients are better prepared for life after college, it is necessary to continually monitor to stay relevant in a rapidly changing economy.

Included at the end of this report are agendas and summaries from the meetings. *See Agendas and Summaries Appendix A.*

## II. FEDERAL GRANTS

### Pell Grants

#### **Background**

The Pell Grant program provides need-based grants to low-income students to promote access to college for students with a high school diploma or equivalency. Students pursuing a Pell Grant must enroll in an eligible program at an approved institution. The grant awarded depends upon how much students or their families can pay, the cost of attendance of the institution, and the student's enrollment status. Federal Pell Grants are the most common and widely available type of grant program for undergraduate students. Unlike the federal loan programs, Pell Grant awards never need to be repaid.

#### **Eligibility**

In order to be eligible for a Pell Grant, a student must:

- Be a U.S. citizen or eligible non-citizen
- Have a high school diploma or equivalent
- Show financial need as determined by the FAFSA
- Maintain satisfactory academic progress (SAP)
- Not exceed the lifetime eligibility threshold

#### **Courses of Study**

Pell Grants can be awarded for any course of study leading to the completion of a bachelor's, graduate, or professional degree. Student must fulfill college's Satisfactory Academic Progress standards to maintain scholarship eligibility.

#### **Funding and Alignment**

During the 2016-2017 academic year, more than seven million students received a Pell Grant. The total expenditures equaled \$26.6 billion. The average Pell Grant awarded to students was \$2,460, with the maximum award equaling \$5,815. Of those who received Pell Grants, forty-seven percent were dependent students, while seventy percent came from families with less than \$40,000 in reported income.

## III. RECOMMENDATION

The team recognized there must be support for flexibility in the utilization of Pell Grants and recommends that the State, the Governor, and the General Assembly engage Members of Congress and the Administration to strongly advocate for these changes.

**1. Expand Pell eligibility to shorter-term certificates.** Providing Pell for shorter term programs and allowing a wider selection of providers will expand the options available for

students. Indiana should maintain its commitment to program quality, but giving students the opportunity to use Pell Grant dollars for shorter-term, high-quality credentials better aligns the needs of employers with training that is happening after high school and gives more Hoosiers the chance to get the training they need to match their specific career interests.

- Currently, Pell Grants are limited to programs which provide at least 600 clock hours, 16 credit hours or 24 quarter hours over a minimum of 15 weeks
- It has been proposed to expand Pell Grants to programs which have at least 150 clock hours of training over 8 weeks.

The funding team supports that Pell eligibility should be expanded to certificate programs which:

- Have at least 150 clock hours over a minimum of 8 weeks, and
- Are embedded in longer-term certificates or lead to industry-recognized credentials

## **2. Advocate to Change the Definition of “Full-Time” Under Pell.**

- Change the definition of a “full-time” student under Pell of 12 hours to include 15 hours.
- Support the PROSPER Act, which would include a bonus of up to \$300 per term for full-time students at 15 credit hours. This would align with parameters around 21st Century Scholars in Indiana and actually put students on a path to on-time completion.

**3. Allow Pell to apply to high school students who have not yet graduated but are taking college level courses.** The PROSPER Act would allow for students in high school who have not graduated to be eligible for financial aid to begin courses towards their degree while still in school. Currently, federal pilot programs allow for some flexibility but are seldom used and difficult to navigate. Allowing high school students to use Pell dollars for post-secondary coursework enables Indiana to get more students marketable credentials before they graduate and moves us closer to our goal of having 60% of adults with college credentials by 2025.

**4. Expanding Access to In-Demand Apprenticeships.** The PROSPER Act repeals Title II of the Higher Education Reauthorization Act and replaces it with a new apprenticeship grant program. This program authorizes grants on a competitive basis for a minimum of 1 year and a maximum of 4 years to create partnerships between businesses and educational institutions for work-based learning opportunities. These grants will require a fifty percent match from the grantee. Students must be able to complete these work-based learning programs in two years or less, and they must result in a recognized post-secondary credential upon completion. While federally-registered apprenticeships absolutely have value, they aren’t the right fit for every employer and other work-based learning opportunities must be valued, as well.

One of Indiana’s goals under Governor Holcomb has been the expansion of work-based learning and apprenticeship opportunities under an employer-driven workforce training system. During his State of the State address earlier this year, the Governor outlined an ambitious goal of moving at least 10,000 Hoosiers into new opportunities of this nature over the next two years, and adoption of this language would give Indiana a tool and support to reach that goal. While the

PROSPER Act strengthens work-based learning and apprenticeship opportunities it is largely focused on capabilities of a large business to access and run an apprenticeship program. This portion of the PROSPER Act should be strengthened to ensure equity among small, mid-sized and large businesses when it comes to the ability to participate in this grant program.

#### **IV. INDIANA SCHOLARSHIPS**

##### **21<sup>st</sup> Century Scholars**

###### **Background**

Started in 1990, 21st Century Scholars is Indiana's early college promise program. It offers income-eligible Hoosier students up to four years of paid tuition at an eligible Indiana college or university after they graduate from high school. Students enroll by the end of their eighth grade year, and, while in high school, are required to participate in the Scholar Success Program. Required activities have been put in place over time to connect the Scholar to programs and resources to prepare them for college and career success. Once in college, Scholars receive support to complete their college degrees and connect to career opportunities. The level of support and type of support varies depending on the campus the student attends.

In 2018, the Commission on Higher Education College Completion Report noted that graduation rates for 21<sup>st</sup> Century Scholars are outpacing all other student populations, both at 2- and 4-year institutions.

###### **Eligibility**

- Be a resident of Indiana, both when applying and when receiving the scholarship (determined by the residency of the parent or legal guardian).
- Be one of the following:
  - U.S. citizen or U.S. national (includes natives of American Samoa or Swain's Island)
  - U.S. permanent resident who has an I-151, I-551, or I-551C (Alien Registration Receipt Card)
  - A non-citizen with one of the following designations:
    - Refugee
    - Asylum Granted
    - Indefinite Parole and/or Humanitarian Parole
    - Cuban-Haitian Entrant, Status Pending
- Be enrolled in the 7th or 8th grade at an Indiana public or private school accredited by the Indiana Department of Education. Children in foster care may apply after the 8th grade. Homeschooled students are not eligible for the 21st Century Scholars Program.
- Be a member of a family that meets the income eligibility guidelines. A student in foster care or under legal guardianship does not need to meet this requirement.

## **Courses of Study**

21<sup>st</sup> Century Scholarship can be awarded for any course of study leading to the completion of at least 30 credits each academic year. Student must fulfill college's Satisfactory Academic Progress standards to maintain scholarship eligibility.

## **Funding and Alignment**

21<sup>st</sup> Century Scholars is funded through state appropriations. For Fiscal Year 2017, \$161,194,034 was disbursed to provide state aid to 21,502 students. 21<sup>st</sup> Century Scholars are up to twice as likely to go to college, and have higher completions rates, than other low-income students. Completion rates have shown those students go on to secure higher wages in employment. Approximately 16,155 students attended a four year public institution. Another 2,659 attended a two year public institution. The remaining students attended either a private or proprietary institution. The average student award was \$7,497. The City of Indianapolis has come alongside the 21<sup>st</sup> Century Program rolling out the Indianapolis Promise to support 21<sup>st</sup> Century Scholar students with additional funding for the costs of books or room and board which are not otherwise covered.

## **Frank O'Bannon Scholarship**

### **Background**

The Frank O'Bannon Grant, which includes the Higher Education Award and the Freedom of Choice Award, is Indiana's primary need-based financial aid program. It is designed to provide access for Hoosier students to attend eligible public, private and proprietary colleges and universities. Eligibility is based on a student's FAFSA, and the grant may be used toward tuition and regularly assessed fees.

### **Eligibility**

- Must be an Indiana resident by December 31st the year prior to applying for aid (i.e. December 31, 2017 for the 2018-2019 school year)
  - Must remain a resident throughout academic year
- Must be a U.S. Citizen or eligible non-citizen
- Must be a high school graduate or hold a GED
- Must attend, or plan to attend, an eligible post-secondary institution
- Must be enrolled, or plan to enroll, in a course of study leading to an associates or first bachelor's degree; or must be seeking a certificate at Ivy Tech Community College or Vincennes University.
- Must be a full-time student, or plan to enroll as a full-time student
  - Must abide by credit completion requirements each academic year to renew maximum award
  - Must meet SAP (Satisfactory Academic Progress) requirements as determined by the institution the student is attending.

- In some cases, degree-seeking students may use the Frank O'Bannon grant during the summer while enrolled part-time. Refer to the specific guidelines for using the Frank O'Bannon grant during summer terms.
- Must file the FAFSA by April 15th prior to the academic year of intended enrollment

### **Courses of Study**

Frank O'Bannon Scholarship can be awarded for any course of study leading to the completion of at least 24 credits each academic year towards an associates or first bachelor's degree; or a certificate at Ivy Tech Community College or Vincennes University.

### **Funding and Alignment**

The Frank O'Bannon Grant is funded through state appropriations. For Fiscal Year 2017, \$135,184,574 was disbursed to 37,940 students. Of the 37,940 students, 18,830 attended a four year public institution. The total number of students attending a two year public institution was 7,433, with the remaining students attending a private or proprietary institution. Base awards are provided based upon the institution the student is attending. The average award amount to a student was \$3,295.

### **National Guard Scholarship**

#### **Background**

Through a partnership with the Indiana National Guard, the Commission guarantees 100% of tuition and regularly assessed fees for eligible members of the Indiana Air and Army National Guard. Students can attend either full-time or part-time and receive the National Guard Tuition Supplement Grant (NGSG) but can only be used in the fall and spring semesters.

#### **Eligibility**

- Must be a member of the Indiana National Guard in active drilling status
- Must not have been AWOL at any time during the 12 months prior to their enrollment in college for any academic term
- Must have all required ING paperwork submitted and approved to their ING education office prior to the start of classes (each semester). Forms and submission processes differ by ING branch. Students should contact their unit commander for details.
- Students must contact their unit commander for certification and must be recertified each semester to receive the NGSG.
- Must be a high school graduate or hold a GED (ING might have other restrictions)
- Must file the current year FAFSA with an eligible Indiana institution.
- Must be seeking first Associate or Bachelor's degree at a public institution in the State of Indiana
- Must meet Satisfactory Academic Progress (SAP) requirements as established by the institution
- Must have filed an application for and, if applicable, used any federal and state financial assistance available to attend a State institution

## **Courses of Study**

A National Guard Scholarship can be awarded for any course of study leading to the completion of an associates or first bachelor's degree; or a certificate at Ivy Tech Community College or Vincennes University.

## **Funding and Alignment**

The National Guard Supplemental Grant is funded through state appropriations. For Fiscal Year 2017, \$3,040,081 was disbursed to 553 students. Of the 553 students, 46 attended a four year public institution, while the remaining 513 students attended a two year public institution. The average award amount provided to a student was \$5,575.

## **Adult Student Grant: You Can. Go Back.**

### **Background**

Enacted by the 2015 General Assembly, *You Can. Go Back.* is a statewide program that aims to help the more than 750,000 Hoosier adults with some college but no degree finish the degree they started. With \$7.5 million in state grants available for adult students, the Indiana Commission for Higher Education (CHE) contacts potential completers directly and connects them with Indiana colleges that are committed to eliminating barriers for returning adults. Many colleges are offering special programs and incentives. These include flexible class schedules and online courses, college credit for work and military experience, grade- and debt-forgiveness programs. They also offer scholarships, tuition discounts and \$2,000 in State grants on a first come, first serve basis for qualifying students.

### **Eligibility**

Applicant must:

- Be an Indiana resident and a U.S. Citizen or eligible noncitizen;
- Be financially independent as determined by the FAFSA and demonstrate financial need;
- Be enrolled, or plan to enroll, in a course of study leading to an associate or first bachelor's degree, or a certificate at Ivy Tech Community College or Vincennes University;
- Be enrolled in at least six (6) credit hours or their equivalent in any academic term;
- Maintain satisfactory academic progress as defined by your institution;
- Complete at least eighteen (18) credit hours or their equivalent in the previous academic year to renew; and
- Meet any other minimum criteria established by the Commission.

## **Courses of Study**

The Adult Student Grant can be awarded for any course of study leading to the completion of at least 18 credits each academic year towards an associates or first bachelor's degree; or a

certificate at Ivy Tech Community College or Vincennes University. Student must fulfill college's Satisfactory Academic Progress standards to maintain Scholarship eligibility.

### **Funding and Alignment**

The Adult Student Grant is funded through state appropriations. For Fiscal Year 2017, \$5,183,412 was disbursed to 6,484 students. Of the 6,484 students, 1,412 attended a four year public institution, while 4,387 students attended a two year public institution. The remaining students attended a private or proprietary institution. The average award amount provided to a student was \$804.

### **Minority Teacher Scholarship**

#### **Background**

The William A. Crawford Minority Teacher Scholarship is available to minority students (defined as black and Hispanic individuals) who intend to pursue, or are currently pursuing, a course of study that would enable them to teach in an accredited school in Indiana. Students must agree in writing to apply for teaching positions in Indiana and, if hired, teach in Indiana for at least three years.

#### **Eligibility**

- be a minority student
- be an Indiana resident and a U.S. Citizen or eligible noncitizen
- be admitted or already attending an eligible Indiana institution as a full-time student
- pursue or intend to pursue a course of study that would enable the student, upon graduation, to teach in an accredited school in Indiana
- agree in writing to apply for a teaching position at an accredited school in Indiana following that student's certification as a teacher and, if hired, to teach for at least three years
- be a full-time student, or plan to enroll as a full-time student
- be a first-time undergraduate student
- maintain the cumulative grade point average (GPA) required for admission to the institution's school of education
- meet any other minimum criteria established by the Commission

#### **Courses of Study**

The Minority Teacher Scholarship funds can be awarded to students who pursue or intend to pursue a course of study that would enable the student, upon graduation, to teach in an accredited school in Indiana.



## **Funding and Alignment**

The Minority Teacher Scholarship is funded through state appropriations. For Fiscal Year 2017, \$543,693 was disbursed to 164 students. Of the 164 students, 125 attended a four year public institution, while 1 students attended a two year public institution. The remaining 39 students attended a private institution. The average award amount provided to a student was \$3,550.

## **Mitch Daniels Early Graduation Scholarship**

The Mitch Daniels Early Graduation Scholarship is a one-time, \$4,000 scholarship for students who graduate at least one year early from a publicly supported Indiana high school. To claim this scholarship, students must enroll at an eligible Indiana institution no later than the fall semester in the academic year immediately following the year they graduate high school.

## **Eligibility**

- Must be an Indiana resident and a U.S. Citizen or eligible noncitizen
- Must have attended a publicly supported high school on a full-time equivalency basis for at least the last two semesters before the student graduated
- Must have been awarded a minimum of a Core 40 high school diploma by the end of grade 11, including any summer course work completed by July 1 of the year of graduation
- Must not have been enrolled in a publicly supported high school for any part of a fourth year (grade 12)
- Must enroll as a full-time, degree-seeking student at an eligible institution not later than the fall semester (or its equivalent, as determined by the Commission) in the academic year immediately following the year in which the student graduates from high school
- Must meet any other minimum criteria established by the Commission

## **Courses of Study**

Mitch Daniels Early Graduation Scholarship can be awarded for any course of study leading to the completion of at least 24 credits each academic year towards an associates or first bachelor's degree.

## **Funding and Alignment**

The Mitch Daniels Early Graduation Scholarship is funded through state appropriations. For Fiscal Year 2017, \$997,237 was disbursed to 240 students. Students who earned this scholarship were awarded \$4,000. The institution with the most scholarship recipients was Ivy Tech Community College.

## **Children of Veterans and Officers**

### **Background**

Children of Veterans and Officers (CVO) provides tuition and fee assistance to the children of deceased or disabled veterans, Purple Heart recipients or wounded veterans, the child or spouse

of Indiana National Guard or public safety officers killed in the line of duty, Indiana Purple Heart recipients. CVO also covers book payments for students who are former students of Morton Memorial High School or who are former residents of the Indiana Soldiers' and Sailors' Children's Home.

## **Eligibility**

### Applicant for Public Safety Officer Grant Requirements

- Must be an individual whose father, mother or spouse was a PSO killed in the line of duty
- Must be less than 24 years of age on the of the PSO's death (for children)
- Must be enrolled full-time (students) at an Eligible Indiana Institution pursuing an undergraduate degree

### Public Safety Officer (parent or spouse of applicant) Requirements

- Must have been a legal resident of Indiana at the time of death;
- Must have been a public employee of the state or an Indiana county, township, city or town; and **one** of the following:
  - a regular, paid law enforcement office (including a police officer, sheriff, correctional officer, excise police officer, conservation enforcement officer, gaming agent, gaming control officer, marshal, deputy marshal, state educational institution police officer, probation officer or member of a consolidated law enforcement department);
  - a police reserve officer;
  - a regular, paid firefighter;
  - a volunteer firefighter (as defined in IC 36-8-12-2);
  - a paramedic (as defined in IC 16-18-2-266);
  - an emergency medical technician (as defined in IC 16-18-2-112);
  - an advance emergency medical technician

### Applicant for Permanently Disabled State Trooper Requirements

- Must be an individual whose father, mother or spouse was a PSO killed in the line of duty (for children)\*\*
- Must be less than 23 years of age (for children)
- Must be enrolled full-time (students) at an Eligible Indiana Institution
- Must meet Satisfactory Academic Progress (SAP) as determined by the institution, and complete a FAFSA annually to maintain eligibility each year

### Permanently Disabled State Trooper (parent or spouse of applicant) Requirements

- The state trooper must be an employee beneficiary who has a permanent and total disability from a catastrophic personal injury that was sustained in the line of duty and permanently prevents the trooper from performing any gainful work.

Children must be the biological or legally adopted child of the PSO killed in the line of duty or the permanently disabled state trooper, and spouses must have been married to the covered officer at the time of death. At the time of legal adoption, a child must have been unmarried with no dependents and not a veteran of the armed forces. Adoption by a spouse of the PSO or state trooper is not valid for inclusion of the child in the program.

### **Courses of Study**

These funds can be used for any course of study leading to the completion of at least 24 credits each academic year towards an undergraduate, graduate, and professional degree level (undergraduate level only for spouses).

### **Funding and Alignment**

The Children of Veterans and Officers is funded through state appropriations. For Fiscal Year 2017, \$28,003,747 was disbursed to 5,105 students. Of the 5,105 students, 3,871 attended a four year public institution. The remaining 1,336 students attended a two year public institution. The average award amount provided to a student was \$5,533.

## **V. RECOMMENDATION**

The benefits of the State Financial Aid programs are important to Indiana's economic outlook. At least one-third of each class of Indiana public college graduates benefits from state financial aid, and the wages of state aid recipients are more than double the cost of the investment within only a few years of graduation. Moreover, wages of Indiana's financial aid recipients are similar to those of other graduates.

Hoosiers with an associate degree contribute about \$250,000 extra to the economy compared to those with only a high school diploma. Hoosiers with a bachelor's degree contribute about \$700,000 extra to the economy compared to those with only a high school diploma. Census data on certificates are not currently available, however the Commission for Higher Education is working to provide measurable return on investments in future reporting.

Many of the programs have added requirements over the last few years and additionally have utilized outside, third party reviews to evaluate recommendations to improve the scholarships success and outcomes. For example, 21<sup>st</sup> Century Scholars program changes have included: the class of 2012 and after Scholars must enroll in an eligible institution by the fall semester the year immediately following high school graduation; 2012 and after Scholars have 8 years to use their 4 years of aid; 2013 and after Scholars must earn 30 credits per year to retain their Scholarship; 2015 and after Scholars must graduate high school with a minimum high school cumulative 2.5 GPA; 2015 and after the Commission for Higher Education uses the financial means test to determine eligibility is ongoing; 2017 and after Scholars are required to complete 12 items during high school aimed at helping them plan, prepare and pay for college (Scholar Success Program includes *create a graduation plan, participate in an extracurricular*

*or service activity, watch "Paying for College 101", take a career interest assessment, get workplace experience, estimate the cost of college, visit a college campus, take an entrance exam, search for scholarships, submit applications, Watch "College Success 101", file a FAFSA); and 2017 and after Scholars must graduate high school with a minimum core 40 diploma. College campuses began developing wrap around services and coordinators for students transitioning from High school.*

21st Century Scholarships and Frank O'Bannon Scholarships metrics must be reviewed by the Commission on Higher Education to determine if the students that have access to the programs should be expanded and if the metrics are limiting the number of students who could benefit from the programs.

Some of the students participating in the programs with new requirements have yet to graduate. The programs with the new requirements are seeing improved graduation rates and salary increases post-graduation. Standardized and frequent reviews for improvements in the program should be conducted and if there is no improvement action should be taken. Focusing on the graduating classes and evaluating all state programs for the return on investment based on new standards each year will be necessary. Business partners are essential in building success and direction for students navigating career options through post-secondary not just during high school. A workforce-aligned system, recognizes the increased knowledge, skills and degree attainment needed for lifetime employment and ensures Indiana's economic competitiveness.

The return on investment depends greatly on the decisions students make, what they choose to study, what credentials they earn, how long they take to graduate, and how they finance their education. It pays to consider all of the variables and to support development of strong career navigation before entering post-secondary so that a student's decisions are informed.

## **VI. PERFORMANCE FUNDING METRICS**

The team reviewed the performance funding metrics including overall degree completion, on-time graduation rates, at-risk degree completion, high impact degree completion, remediation success rate and persistence counts. From 2013-2015 the high impact degree completion and number of degrees/certificates have been a focus encouraging schools to build a workforce that responds to the local economic needs. These metrics for workforce needs are strongly supported.

## **VII. POLICIES REGARDING FREE OR REDUCED TUITION:**

### **Tennessee**

In 2015, the Tennessee Promise scholarship began, which made community college free for students graduating high school that year. The state expanded the program to all adults that don't already have an associate's or bachelor's degree in 2018. Tennessee Promise Scholarship is given in the form of scholarships that cover the remaining cost of tuition after using other needs-

based grants. *Tennessee's Promise scholarship program is fully funded by the state lottery.* Students must be state residents for at least a year before applying. Students have to enroll at least part-time, maintain a 2.0 GPA and complete eight hours of community service each semester.

### **Oregon**

Beginning fall 2016, Students who enrolled and started community college could participate in the Oregon Promise scholarship. It covers most tuition costs for recent high school graduates and GED recipients. There is no provision for returning adults. Students must be a state resident for at least a year, earned a minimum of 2.5 GPA in high school, and enroll at least part time. In 2017-2018 the program was limited based on income eligible students. *The funds come from the general fund of the state of Oregon.*

### **New York**

New York was the first state to make tuition free for two year colleges and four year colleges in 2017. The program includes students at State University or City University of New York School. Students who already have a degree are ineligible. It is also limited by family income. Students must enroll as a full-time student and live and work in New York for the same number of years the scholarship is utilized. *The program is funded through the general fund of the state.*

### **Louisiana**

The Taylor Opportunity Program covers tuition for students who have a 2.5 high school GPA in core classes and an average standardized test score. *The program is funded through the general fund of the state.*

### **San Francisco, California**

In fall 2017, City College of San Francisco students can go to school tuition free. Every resident is eligible no matter when they completed high school. There is no requirement that a student must pursue a degree. It also offers eligible students additional funding for other expenses necessary. The city pays for the cost of the scholarships by *increasing a real estate transfer tax on luxury properties.*

### **Rhode Island**

Implemented in fall 2017, recent high school graduates who enroll at Rhode Island Community College do not have to pay anything for tuition or fees. They must maintain a 2.5 GPA in college while remaining enrolled full-time, and are required to live, work, or continue their education in state after finishing their degree. *The program is funded through the general fund of the state.*

### **Arkansas**

ArFuture is the Arkansas version of the Promise program. It does not require a minimum high school grade point average to qualify. It is available to high school graduates and adults. However, the program does require enrollment in a high demand field including science, technology, engineering, or math field at any of the state's community or technical colleges. As a

last-dollar grant, ArFuture goes to students only after they've received federal and state aid. Grant recipients are required to participate in a mentor or community-service program. After graduation, they must work full-time in Arkansas for at least three years and if the student doesn't fulfill the requirement, the *grant converts to a loan that must be repaid to the state.*

### **Minnesota**

The MnSCU Two-Year Occupational Grant Pilot Program is Minnesota's program to provide financial assistance to students enrolled in qualifying career and technical programs at public two-year colleges. Students must complete in two years or less and find employment in a high-demand field. It was created by the 2015 Minnesota Legislature and will be implemented for the 2016-2017 and 2017-2018 academic years as a pilot program. *The grant is a last dollar grant and will cover any remaining tuition and general fee charges after the student's Federal Pell Grant and MN State Grant have been applied to the student's account.*

### **South Dakota**

South Dakota has also recognized the success of technical programs with the Build Dakota Scholarship Fund. It offers tuition free enrollment to about 300 students each year in certain programs at Lake Area Technical Institute or the state's three other technical colleges. Lake Area Technical Institute has one of the highest job placement rates among community colleges across the nation. Partnering with leaders in local industries is key and Lake Area Technical Institute invites them to sit on advisory boards to review curriculum, making sure students are learning the skills they'll need in actual jobs. Student recipients commit to living and working in the state, in their field of study, for three years following graduation. Some scholarships come with industry partners, who provide on-the-job training or part-time jobs while in school.

## **VIII. RECOMMENDATION**

### **Indiana- Workforce Ready Grant**

The team reviewed other state policies on free or substantially reduced tuition for possible implementation of new strategies in Indiana. The team determined that the Workforce Ready Grant (WRG) is a great program that is already being implemented in Indiana and is addressing the needs of Hoosiers to have access to opportunities. The funding team supports the expansion of this program. Additional funding sources should be found to increase the ability for Hoosier to utilize this program. Expansion should not be limited to access to additional funding but also a review for expansion to programs that qualify. Any opportunity to meet business needs for workers that are building Indiana's economy and keeping Indiana's exciting momentum of growth continuing should be considered

The WRG pays the tuition for eligible high-value certificate programs at Ivy Tech Community College, Vincennes University or other approved providers. The grant is available for two (2) years and covers up to the number of credits required by the qualifying program. The grant does not cover courses that do not directly apply to the student's certificate program.

Program-specific fees and equipment are not covered. The qualifying high-value certificate programs were selected based on employer demand, wages, job placements and program completion rate. These programs are aligned with Indiana's highest demand sectors.

To qualify for the grant, students must: Be age 18 years or older; Be an Indiana resident and U.S. citizen or (eligible non-citizen); Have a high school diploma (or equivalent) but less than a college degree; Enroll in a qualifying program at an eligible training provider; File the FAFSA; Enroll full-time (typically four courses) if you are a Dependent Student; Enroll at least half-time (typically two courses) if you are an Independent Student; Maintain Satisfactory Academic Progress; Meet any other minimum criteria established by the Commission. The WRG is for Credit-Bearing programs only. It is not limited by family income. WRG embraces the success other states have seen with these programs. To date, there have been more than 13,600 individuals enrolled in WRG-eligible certificate programs since last fall. Eligibility was expanded during the 2018 Legislative Session to include 18 year olds, building a path to lifelong success for the students utilizing the grant. The enthusiastic response of Hoosiers who are taking advantage of this program shows the need to not only continue, but also expand, the Workforce Ready Grant Program.

## **IX. CONCLUSION**

Indiana continues to guarantee it will lead the way in proactive improvement in state financial aid programs and outcome expectations for institutions. Indiana has: Paid for performance with a higher education funding formula that drives dollars to colleges that increase completion, graduate more students on time, produce in-demand degrees and close the achievement gap for at-risk students which has produced thousands of additional degrees in the past five years. Indiana has strengthened student financial aid with clearer expectations, changes that have achieved double-digit improvements in the percentage of financial aid recipients taking and completing the minimum number of courses needed to graduate on time. Indiana has removed barriers to completion with streamlined degree requirements and clear semester-by-semester degree maps that eliminate excess credits and keep students on track to graduate, changes estimated to save students and taxpayers more than \$35 million a year. Indiana has changed remediation by replacing non-credit remedial courses with a "co-requisite" model that combines direct placement in college-level courses with extra academic support, a change that has nearly doubled student pass rates in first-year math and English courses.

Indiana has simplified college transfer by creating a statewide transfer core and seamless transfer pathways accepted by Indiana colleges, changes that saved time and money and prevent students from retaking comparable courses at different campuses, and Indiana has controlled college costs by holding increases in tuition and fees to their lowest levels in decades and requiring truth-in-lending disclosures, changes that have resulted in double-digit decreases in student borrowing at Indiana campuses.

The funding team encourages support of federal flexibility, continued updating and monitoring for success of the state funded programs and added work-based learning experiences, and supports expansion of the workforce ready grant in Indiana.

## **X. Appendix B – Recommendations Summary**

**1. Expand Pell eligibility to shorter-term certificates.** Providing Pell for shorter term programs and allowing a wider selection of providers will expand the options available for students. Indiana should maintain its commitment to program quality, but giving students the opportunity to use Pell Grant dollars for shorter-term, high-quality credentials better aligns the needs of employers with training that is happening after high school and gives more Hoosiers the chance to get the training they need to match their specific career interests.

- Currently, Pell Grants are limited to programs which provide at least 600 clock hours, 16 credit hours or 24 quarter hours over a minimum of 15 weeks
- It has been proposed to expand Pell Grants to programs which have at least 150 clock hours of training over 8 weeks.

The funding team supports that Pell eligibility should be expanded to certificate programs which:

- Have at least 150 clock hours over a minimum of 8 weeks, and
- Are embedded in longer-term certificates or lead to industry-recognized credentials

**2. Advocate to Change the Definition of “Full-Time” Under Pell.** Change the definition of a “full-time” student under Pell of 12 hours to include 15 hours. Support the PROSPER Act, which would include a bonus of up to \$300 per term for full-time students at 15 credit hours. This would align with parameters around 21st Century Scholars in Indiana and actually put students on a path to on-time completion.

**3. Allow Pell to apply to high school students who have not yet graduated but are taking college level courses.** The PROSPER Act would allow for students in high school who have not graduated to be eligible for financial aid to begin courses towards their degree while still in school. Currently, federal pilot programs allow for some flexibility but are seldom used and difficult to navigate. Allowing high school students to use Pell dollars for post-secondary coursework enables Indiana to get more students marketable credentials before they graduate and moves us closer to our goal of having 60% of adults with college credentials by 2025.

**4. Expanding Access to In-Demand Apprenticeships.** The PROSPER Act repeals Title II of the Higher Education Reauthorization Act and replaces it with a new apprenticeship grant program. This program authorizes grants on a competitive basis for a minimum of 1 year and a maximum of 4 years to create partnerships between businesses and educational institutions for work-based learning opportunities. These grants will require a fifty percent match from the grantee. Students must be able to complete these work-based learning programs in two years or less, and they must result in a recognized post-secondary credential upon completion.

One of Indiana’s goals under Governor Holcomb has been the expansion of work-based learning and apprenticeship opportunities under an employer-driven workforce training system. During his State of the State address earlier this year, the Governor outlined an ambitious goal of moving at least 10,000 Hoosiers into new opportunities of this nature over the next two years,



and adoption of this language would give Indiana a tool and support to reach that goal. While the PROSPER Act strengthens work-based learning and apprenticeship opportunities it is largely focused on capabilities of a large business to access and run an apprenticeship program. This portion of the PROSPER Act should be strengthened to ensure equity among small, mid-sized and large businesses when it comes to the ability to participate in this grant program.

**5. Review of State Programs.** Investments of State and Federal funds must be reviewed annually, and action must be taken to strengthen or redirect resources away from programs not demonstrating measurable returns. Focusing on the graduating classes and evaluating all state programs for the return on investment based on new standards each year will be necessary. Business partners are essential in building success and direction for students navigating career options through post-secondary not just during high school. An aligned system recognizes the increased knowledge, skills, and degree attainment needed for lifetime employment and ensures Indiana's economic competitiveness.

**6. Expand Workforce Ready Grants.** The team supports the expansion of this program. Expansion should not be limited to access to additional funding but also a review for expansion to programs that qualify. Any opportunity to meet business needs for workers that are building Indiana's economy and keeping Indiana's exciting momentum of growth continuing should be considered.