

# INVESTING IN OUR FUTURE

How to Strengthen & Update  
Mississippi's Financial Aid Programs  
for Today's College Students



## ABOUT THE MISSISSIPPI ECONOMIC POLICY CENTER

The Mississippi Economic Policy Center (MEPC) is a nonprofit, nonpartisan organization that conducts independent research on public policy issues affecting working Mississippians. Through public outreach efforts, policy making education and engaging the media, MEPC uses its analysis to ensure that the needs of low and moderate-income Mississippians, in particular, are considered in the development and implementation of public policy with the ultimate goal of improving access to economic opportunity.

MEPC is managed by the Hope Enterprise Corporation (HOPE), a regional financial institution and community development intermediary dedicated to strengthening communities, building assets and improving lives in economically distressed areas in the Mid South.

To read more about MEPC, go to [www.mepconline.org](http://www.mepconline.org)

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### **ACKNOWLEDGEMENTS:**

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## EXECUTIVE SUMMARY

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Mississippi's community colleges and universities are serving 40,000 more students than 15 years ago. At the same time, the cost of postsecondary education is rising sharply and the needs of students are changing. Receiving a postsecondary degree is increasingly necessary for greater economic opportunity for students of all ages – from high school graduates to working parents. Now more than ever, Mississippi's students need a robust, state-funded financial aid system, so they are not forced to step out of college because of financial stress. Adjusting the design of state-funded grants can improve college success and increase the competitiveness of Mississippi's workforce. *Investing in Our Future* makes recommendations for reshaping Mississippi's state-funded financial aid programs. Key findings from the report include:

### FINANCIAL AID IS IMPORTANT FOR POST-SECONDARY COMPLETION

Research demonstrates that financial aid can have a positive effect on graduation and persistence of students in higher education.<sup>i</sup> This relationship is important as a large portion of Mississippi students enroll from backgrounds of economic insecurity with limited resources. A lack of resources can shape low-income students' decisions to persist in school, underscoring the need for robust state grant aid that is accessible to a broad group of students.

### A LOW PORTION OF STATE GRANT AID GOES TO STUDENTS WITH FINANCIAL NEED

Mississippi ranks below average for its state appropriations to grant programs that consider the financial need of the student. Across the country, 71% of the grant aid distributed by states considers the financial needs of students.<sup>ii</sup> By contrast, in Mississippi, only 15% of the grant dollars are allocated on the basis of need.<sup>iii</sup> In Mississippi, more than one in three youth grow up in conditions of poverty – a higher prevalence than youth nationally. In each of the state's 59,000 low-income, working families, at least one adult does not have any postsecondary experience.<sup>iv</sup> The relatively low portion of state grant funding that screens for the financial needs of students makes it important to adjust the state's current programs, so students of all ages can successfully attain degrees and strengthen the state's workforce competitiveness.

### STUDENT ENROLLMENT RISES AND BECOMES MORE DIVERSE

As enrollment at community colleges and universities has grown, so has the diversity of Mississippi's students. African-American students and other minorities accounted for three quarters of the increase in university enrollment between 1995 and 2010. In 2010, 45% of Mississippi's university students were minorities and 42% of community college students were African American. Adults also make up a large number of the students pursuing higher education. More than 36,000 community college students and 25,000 university students are of working age.

### CURRENT STATE GRANT PROGRAMS NEED UPDATES

Mississippi administers three state-funded grant programs to undergraduate students to help offset some of the costs of college – Mississippi Eminent Scholars Grants (MESG), Mississippi Tuition Assistance Grants (MTAG) and Higher Education Legislative Plan (HELP) grants.<sup>v</sup> Each grant program was established in the mid-1990s and has not experienced significant structural changes since that time. The grants have application criteria that exclude part-time students, and two grants exclude non-traditional students from receiving support. MTAG also has criteria that exclude students receiving a full Pell grant from receiving support.

### STUDENT LOAN DEBT PERSISTS

Without adjustments in financial aid, thousands of students will continue to take on significant debt to finance their dream of a college degree. Mississippi's students have one of the highest student loan default rates in the country.

### HIGHER EDUCATION FUNDING IS NOT KEEPING UP

In 2000, 55% of funds to Mississippi's community colleges came from state resources. By 2011, the state's dollars were covering 35% of the system's overall budget. Similar shifts in state resources have occurred throughout Mississippi's university system. As the state covers less of the cost of higher education, the institutions have turned to tuition increases – elevating the cost of postsecondary education to students and their families.



## CHANGES IN STUDENT ENROLLMENT AND THE NEEDS OF STUDENTS

From 1995 to 2010, undergraduate enrollment at Mississippi's universities grew by 25%, and the state's universities now enroll 12,000 more students than fifteen years ago.<sup>vi</sup> With such significant increases, Mississippi's growth has outpaced many neighboring southeastern states. Between 2010 and 2011, Mississippi's public university enrollment grew at a larger pace than Arkansas, Louisiana or Alabama.<sup>vii</sup> Mississippi's community colleges are also enrolling more students than a decade ago. Between 2000 and 2010, enrollment in for-credit classes at community colleges grew by 30,000 students.<sup>viii</sup>

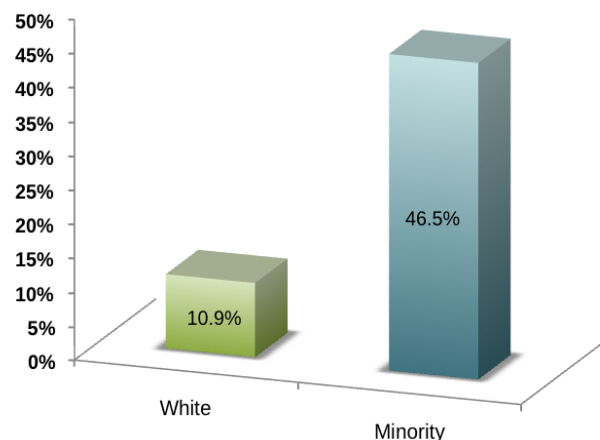
**In Mississippi, more than one in three youth grow up in conditions of poverty – a higher prevalence than youth nationally. About half of the state's African-American children grow up in impoverished households compared to one in five white children.**

As enrollment has grown, so has the racial diversity of Mississippi's university and community college students. Non-white students accounted for three quarters of the enrollment increase among the state's universities between 1995 and 2010. In 1995, 37% of university students were non-white compared to 45% in 2010. Similarly, among Mississippi's community colleges, African-American students make up 42% of the total enrollment.<sup>ix</sup>

In Mississippi, more than one in three youth grow up in conditions of poverty – a higher prevalence than youth nationally. African-American students are particularly vulnerable to growing up in low-income households. About half of the state's African-American children grow up in impoverished households compared to one in five white children.<sup>x</sup>

Low-income households have fewer resources to help family members cover the cost of college. Low and middle-income students are also more likely to graduate when their families remain economically secure or build wealth throughout their college experience than those students from similar backgrounds whose families endure financial hardship while they are in school.<sup>xi</sup> The relationship between a student's college success and their family's financial situation underscores the importance of robust financial aid, so students are not forced to permanently step out of school as their outside financial situation becomes strained. Ultimately, it is the student's college enrollment and completion that will insulate them from poverty in the long term.

**Figure 1. PERCENT CHANGE IN STUDENT ENROLLMENT BY DEMOGRAPHICS AT MISSISSIPPI UNIVERSITIES (1995-2010)**

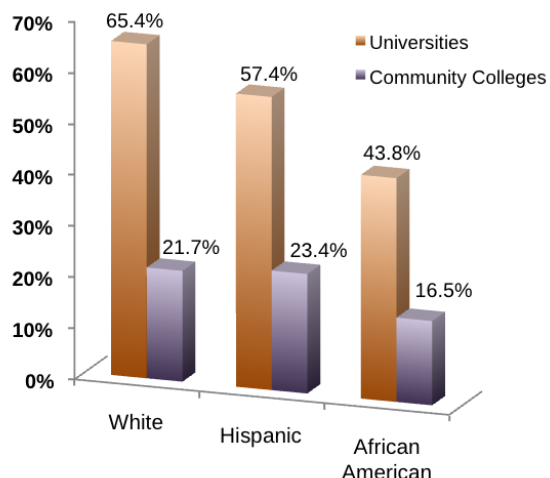


Source: *Institutions of Higher Learning. University Research Center. Data Request. July 2011.*

Figure 1 illustrates the growth among Mississippi's white and non-white university students. Enrollment among non-white students has increased at four times the rate of white students since 1995 with the vast majority of the increase represented by African-American students. At the same time, African-American students are more likely to grow up in environments of poverty and attend struggling public schools than Mississippi's white students. Both poverty and K-12 education experiences shape students' preparedness for college and can lead to outside stress on a student while enrolled.



Figure 2. **GRADUATION RATES\* AMONG MISSISSIPPI COLLEGE AND UNIVERSITY STUDENTS**



Source: Complete College America. Mississippi 2011 Fact Sheet. Graduation Rates\* reflect students completing degree within 200% of the normal time.

Figure 2 provides graduation rates among Mississippi's university students and community college associate degree students by race. The figure reflects the portion of students who complete in double the normal time – eight years for university students and four years for community college students. African-American students are less likely to persevere to completion across colleges and universities. A reformed system of state grant aid that reduces the financial strain brought on by higher education costs is one path to increase the success rate of all students.

Financial aid can have a positive effect on graduation and persistence of students in postsecondary education.<sup>xii</sup> The ability to finance coursework and a degree program plays a critical role in completion rates for low-income students.

Data from Complete College America shows graduation rates are lower for Mississippi community college and university students who are part-time, low-income or working-age adults.<sup>xiii</sup> The rates of completion and graduation among Mississippi's university students are the region's lowest.<sup>xiv</sup> As more Mississippians enroll in higher education, the state must better ensure that these students are able to navigate the path to completion. Successful outcomes for students are also important for universities and community colleges as they face increased accountability.

A large portion of students entering Mississippi's community colleges do so underprepared to take on college-level coursework. These students must enroll in remedial classes in English, math and/or reading to become ready to take courses that count toward their degree. When students need this preparation, it often lengthens the number of semesters they need to reach their educational goal – increasing the costs they incur for college. More robust financial aid is critical to these students who already experience academic barriers to success, so that limitations in grant funding are not the reason for stepping out during the longer road to completion.

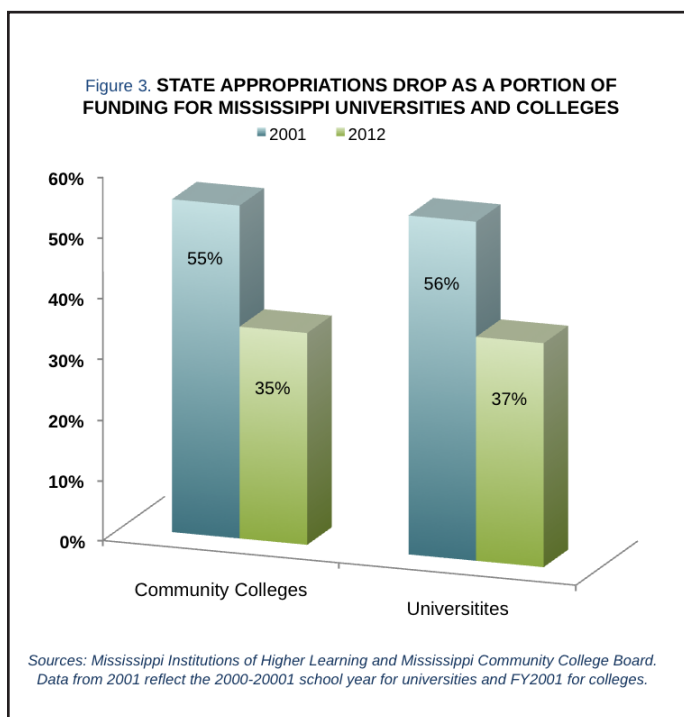
As Mississippi's student population grows and becomes more diverse in age and race, the needs of the state's students also change. As more working-age adults enroll and more underprepared students from low-income backgrounds enroll, strengthening need-based financial aid and expanding eligibility to part-time students are critical pieces of ensuring students are secure and persist in their studies without added obstacles outside the classroom.

The relationship between a student's college success and their family's financial situation underscores the importance of robust financial aid, so students are not forced to step out of school if their outside financial situation becomes strained. Ultimately, it is that student's continued college enrollment that will insulate them from poverty in the long term.



## FUNDING OF UNIVERSITIES AND COLLEGES

As student enrollment rises, it creates a challenge for the Legislature to appropriate enough resources to cover the costs of providing a quality education for those students. Mississippi's higher education systems have undergone shifts in state funding. After adjusting for inflation, overall appropriations to Mississippi community colleges have fallen 7% since 2000.<sup>xv</sup> In 2000, 55% of funds to Mississippi's community colleges came from state resources. By 2011, the state's dollars were covering 35% of the system's overall budget. Similar shifts between state resources and tuition revenue have occurred throughout Mississippi's university system (*figure 3*).



The amount of funding available to cover the cost of education for each student has fallen. After adjusting for inflation, Mississippi appropriated \$3,935 per full-time university student in 2012 compared to \$6,009 in 2000 – a decrease of \$2,074.<sup>xvi</sup>

Declining appropriations per student lead community colleges and universities to cut course offerings, increase class size, and decrease support staff on campus. Most importantly, fewer resources per student have led universities and colleges to offset losses by increasing tuition rates charged to Mississippi's students and their families.

### CHANGES IN COLLEGE AND UNIVERSITY COSTS

Simply put, Mississippi families' incomes are not keeping pace with the increases in tuition across the community college and university systems. Data from the Working Poor Families Project indicate Mississippi has the 2<sup>nd</sup> highest percentage of working, low-income families in the nation.

Since 1995, Mississippi's median household income has remained largely stagnant – rising just 6% after accounting for inflation.<sup>xvii</sup> In contrast, the cost of tuition, housing and a 5-day meal plan at Mississippi's community colleges has grown by 38%.<sup>xviii</sup>



As postsecondary costs grow faster than income, tuition and fees at community colleges are taking up a larger share of Mississippi families' resources. In 1995, tuition, housing and meals at community colleges accounted for one tenth of the median income of a Mississippi household. By 2011, average costs had risen to one eighth of median household income.

For students who are eligible for support through the federal Pell Grant program, a full Pell Grant provides much needed support to help offset some of the costs of pursuing an associate's or bachelor's degree. In 2011, 137,000 college students from Mississippi were eligible for a full Pell Grant – equal to 58% of students who applied for federal financial aid in the state.<sup>xix</sup>

Data from the Working Poor Families Project indicate Mississippi has the 2<sup>nd</sup> highest percentage of working, low-income families in the nation.



## CURRENT STATE AID PROGRAMS

### COMPARING MISSISSIPPI'S SUPPORT OF STATE AID TO OTHER STATES

While a clear gap exists between the resources of Mississippi's students and the cost of attending higher education, it is also important to look at the state's spending on grant aid relative to other states. Nationwide, states allocated grant funds equal to 12% of overall support for higher education on average. In contrast, Mississippi spent an amount equal to 2% of higher education spending on state aid in 2011. Arkansas, Louisiana, Tennessee, Texas, Georgia, and South Carolina all spent a larger portion of funds on state grant aid than Mississippi.<sup>xx</sup>

Mississippi also ranks below average for its allocations to programs where the need of the student is considered. Across the country, 71% of the grant aid distributed by states considers the financial needs of students. In Mississippi, 15% of the grant dollars are allocated on the basis of need.<sup>xxi</sup> The relatively low portion of state grants that include a student's financial need in their criterion emphasizes the importance of restructuring the state's current financial aid programs.

Mississippi has three primary state-funded grant programs for undergraduate students to help offset some of the costs of college:<sup>xxii</sup>

- Mississippi Eminent Scholars Grant (MESG);
- Mississippi Resident Tuition Assistance Grant (MTAG);
- Higher Education Legislative Plan for Needy Students (HELP).

In 2012, a total of \$21.9 million was allocated to students through these grants. After adjusting for inflation, the state distributed 17% less for these three programs in 2012 than they did a decade earlier.<sup>xxiii</sup> Table 1 on the following page provides the key components of each grant program, including eligibility and the number of students who receive grants through each program. MTAG and MESG are both merit-based grants, which means they are distributed on the basis of the student's previous academic performance and test scores. HELP is a need-based grant program that is allocated to support students in families with income less than \$36,500 per year, provided that recipients fulfill a number of academic merit requirements as well.

However, it is important to note that most students, even those at community colleges receiving a Pell Grant, have additional costs beyond those covered by the Pell Grant. The result is that students at Mississippi's colleges and universities still need to find outside funding sources or take out loans to pay for attending school.

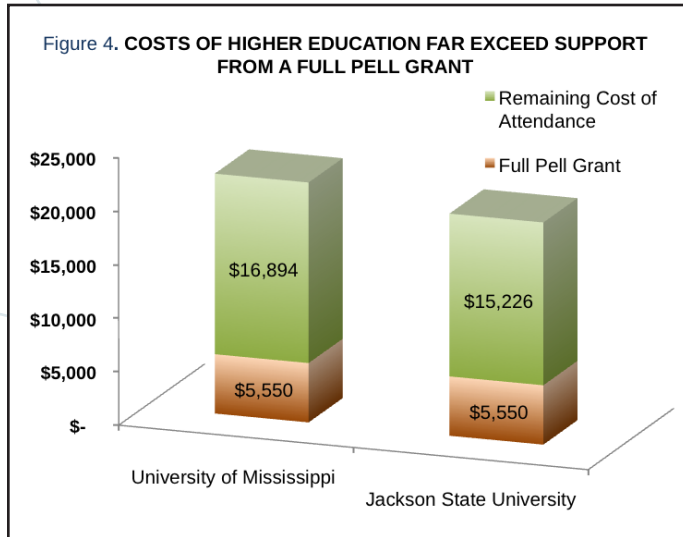


Figure 4 shows the value of a full Pell Grant in 2012 (\$5,550) and the remaining one-year cost to undergraduates attending two Institutions of Higher Learning. The costs of attendance are above and beyond a Pell Grant. The gap between Pell funding and the cost of attendance would accumulate each year the student attends the university. Costs of attendance include most expenses a student would incur while in school, including tuition, housing, food, books, transportation and other basic needs.

The costs of pursuing a post-secondary degree are outpacing federal need-based aid. This gap between cost and aid underscores the importance of other financial aid sources for students, so they are not forced to take out an unsustainable amount of debt to pursue higher education.



**TABLE 1. BACKGROUND ON MISSISSIPPI STATEWIDE GRANT PROGRAMS FOR UNDERGRADUATE STUDENTS**

SCHOLARSHIP	ELIGIBILITY	NEED BASED (Y/N)	GRANT AMOUNT	TOTAL STUDENTS 2012	TOTAL EXPENDED 2012
<b>Resident Tuition Assistance Grant (MTAG)</b>	Students with a 2.5 HS GPA and a 15 on the ACT. Students eligible for full Pell Grant are ineligible for MTAG. Must enroll full time. Max award is four years.	No	\$500 for freshman and sophomores; \$1,000 for juniors and seniors per academic year.	22,490	\$13,660,150
<b>Eminent Scholars Grant Program (MESG)</b>	First-time students with a 3.5 HS GPA and 29 on the ACT. Must apply within 3 years of graduation from high school. Must enroll full-time.	No	Up to \$2,500 per academic year, not to exceed tuition and fees. Max of 4 years.	2,156	\$5,132,949
<b>Higher Education Legislative Plan (HELP)</b>	First-time students with a HS GPA of 2.5 and a 20 on the ACT. The student's family must have an average adjusted income of \$36,500 or less. Must enroll full-time. Complete a rigorous high school curriculum.	Yes	Up to the tuition and required fees at a public, in-state institution. Students attending a private institution will receive a grant equal to the award of a student attending a comparable public institution.	652	\$3,153,418

Both university and community college students are eligible for each grant program. However, key eligibility criteria limit access to the funds among working-age adults. Students must be full-time college enrollees to receive MTAG support. Both MESG and HELP require students to enroll full-time *and* within a short time period after high school graduation, blocking adults who return to school from receiving state-funded support.

Each grant program was established in the mid-1990s and has not experienced significant structural changes since that time. In addition to limiting adults and excluding part-time students, the grants also have some potentially problematic criteria for low-income students. MTAG excludes students who receive a full Pell Grant. Importantly, the Cost of Attendance exceeds the full Pell award by an average of \$14,400 at Mississippi's universities and \$4,482 at Mississippi's community colleges.

The gap between Pell Grants and the cost of attendance underscores that many university students and community college students – particularly working adults – could use the additional support through MTAG to cover the rising cost of higher education.

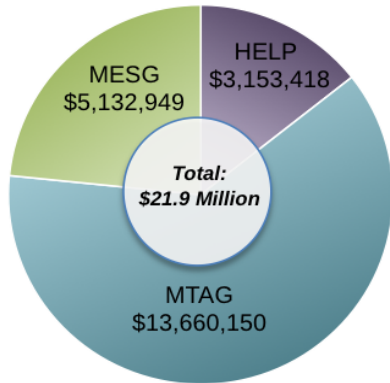
For example, from 2002 to 2012, the average tuition and fees at community colleges and universities rose 60% and 59% respectively. Over the same time, the state funding for the MTAG, MESG, and HELP grants rose only 6.5%. The difference between the rising costs of college and the stagnant support of financial aid raises the likelihood that many students with a need to cover rising tuition are less able to access adequate support from state grants.



## FINANCIAL AID DISTRIBUTION BY INCOME

HELP, the state's one need-based aid program, accounted for the smallest amount of grant funds out of the three programs in FY2012 (Figure 6). The figure shows the amount distributed for each program, and \$3.1 million out of a total of \$21.9 million was allocated to students through HELP – equal to just 14% of all grant dollars distributed through the three main grant programs.

Figure 6. SPENDING FOR EACH STATE GRANT PROGRAM IN FY2012



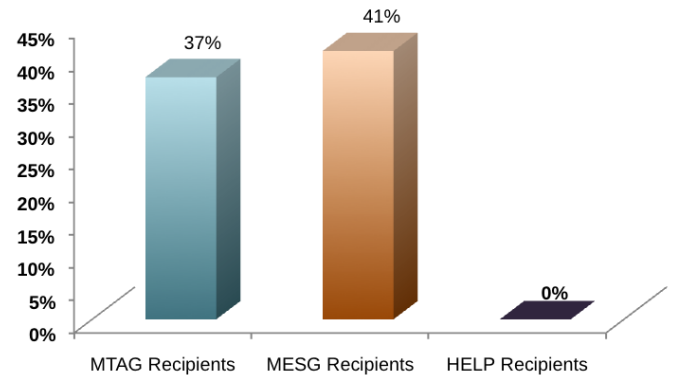
Source: Mississippi Institutions of Higher Learning. State Financial Aid

A closer look at the students receiving each grant shows that 41% of the families receiving grants through the Eminent Scholars Grant program earn over \$70,000 per year (Figure 7). On the higher end of the income spectrum, 27% of the students receiving an Eminent Scholars Grant are from families earning over \$100,000 annually. Over 1/3 – 37% – of MTAG recipients have families with annual income over \$70,000.

Compared to the economic status of all Mississippi families, families earning over \$100,000 are overrepresented in the grant recipient population. In 2011, 15.5% of all Mississippi families earned over \$100,000 while 27% of all MESH recipients and 19% of MTAG recipients were members of families earning over \$100,000.<sup>xxiv</sup>

Data from the Working Poor Families Project indicates that 44% of Mississippi's working families are low-income or poor.<sup>xxv</sup> Despite the fact that Mississippi has the highest rate of low-income families nationwide, the current structure of our state's grant programs leads to a large distribution of grants to high income families. The stark difference in these two trends elevates a call to revisit our financial aid systems, and design grant aid so that students with barriers to college success and financial need are better able to access critical grant aid.

Figure 7. PERCENT OF GRANTS GOING TO MISSISSIPPI FAMILIES WITH ANNUAL INCOME OVER \$70,000



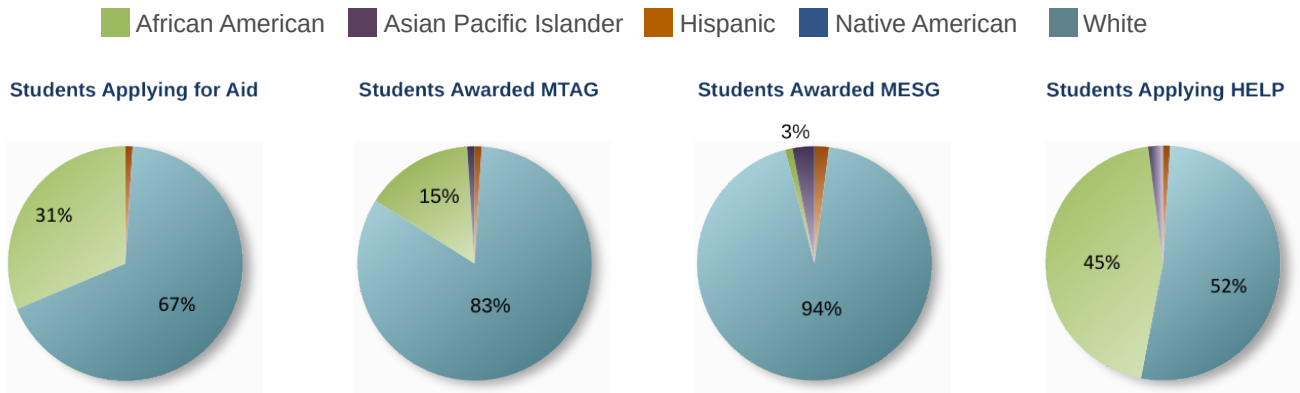
Source: Institutions of Higher Learning. Office of Student Financial Aid 2010-2011

Mississippi's leaders need to reconsider the criteria for state aid programs and revise the application deadlines for the need-based HELP grant. Early application deadlines for HELP grants may be contributing to low levels of grant distribution. HELP applications are due each spring, well before the academic year begins each fall. In contrast, applications for the other two grant programs – MESH and MTAG – are due after the school year starts in the fall. As a result of the later deadlines, college administrators can help students apply for MESH and MTAG, but that option is not available for HELP grants.



The inconsistency among the deadlines is noteworthy given that low-income students are less likely to complete the Free Application for Federal Student Aid or to receive college guidance from counselors. As a result, students who would be eligible for HELP may slip through the cracks because the deadline has passed by the time they learn about the program.

Figure 8. STUDENTS APPLYING FOR FINANCIAL AID AND STUDENTS RECEIVING STATE-FUNDED GRANTS  
2010 – 2011



Source: Mississippi Institutions of Higher Learning. State Financial Aid. Percentages reflect students whose race was recorded and known.

### FINANCIAL AID DISTRIBUTION BY RACE

Students submit one application for state financial aid and are automatically considered for each of the grant programs. Across all applicants for state financial aid, 31% of students were African American and 67% were white in 2012 (Figure 8). Eighty-three percent, (83%) of MTAG recipients were white, and 94% of MESG recipients were white in 2010. The portion of African American students receiving MESG funding (2%) was smaller than the portion of Asian Pacific Islander students receiving MESG (3%).

### BOLSTERING FINANCIAL AID FOR ADULTS

Financial stress plays a critical role in a college student's decision to stay enrolled and persist to a degree. In Mississippi, 20% of adults over age 25 complete a bachelor's degree within six years of enrolling and 17% of community college adults receive an associate's degree within three years.<sup>xxvi</sup> Adults over 25 years old are particularly vulnerable to leaving before completion when compared to their counterparts who enroll directly after high school. At the same time, thousands of adults continue to need opportunities to access college. Across Mississippi, 536,000 adults finished formal education in high school and lack the postsecondary experience needed to compete in the labor market.<sup>xxvii</sup>

Several components of the state's existing financial aid grants limit working-age adults from being able to access much needed financial support. This is particularly problematic given the volume of working-age students who enroll in higher education each year seeking additional skills and greater economic opportunity.

Across Mississippi, 36,000 students enrolled in community colleges are age 22 or older – at least four years beyond traditional high school graduation.<sup>xxviii</sup> At Mississippi public universities, students over age 25 make up nearly 1/3 of all the students enrolled – approximately 25,000 students.<sup>xxix</sup> Adults who return to higher education after a period of work are more likely to enroll part-time and/or take a cut in earnings and work hours. Balancing the expenses for school and the expenses of maintaining a family often causes stress for adult students. Issues with transportation, childcare, and other familial responsibilities can also strain parents who are enrolled in college.

Currently, Mississippi's financial aid structure largely limits adults from benefiting from existing grant programs. Regulations require that students receiving funds enroll full-time, which is often a barrier for working adults. Additionally, MESG and HELP have requirements that students apply for funds and attend college within a short time after high school graduation. The structure of these grant programs leaves adults with little opportunity for state grants.

With only a high school degree, the median wage for a Mississippi worker is \$24,060 per year. Without a high school degree or GED, the median wage is lower at \$17,724 per year.<sup>xxx</sup> Many adults with either of these levels of educational attainment will encounter economic insecurity without additional opportunities to build skills and attain college credit. To reach opportunities that pay adequate wages, many working adults will need to attain a college certificate or degree, and strong systems of financial aid on the state level are critical for helping students of all ages complete college.

## STUDENT LOAN BORROWING

When students are not able to cover the cost of higher education through federal and state grants, they often need support from loans. As the costs of pursuing higher education rise, it leads more Mississippi students to take out larger levels of debt. Although Mississippi's universities and colleges are often cited as some of the nation's more affordable options, the drastic increases in college costs, set against the backdrop of stagnant wages in the state, force students of all ages to take out large amounts of debt to pursue a degree. These students also struggle to pay back their debt and are impeded from building wealth or buying a home. The following section details information on student loans in Mississippi to underscore that a large gap continues to exist between what Mississippi students can afford to pay for college and the costs of college incurred even with federal and state support.

The level of student loans taken out by Mississippi students is a particular concern because evidence shows

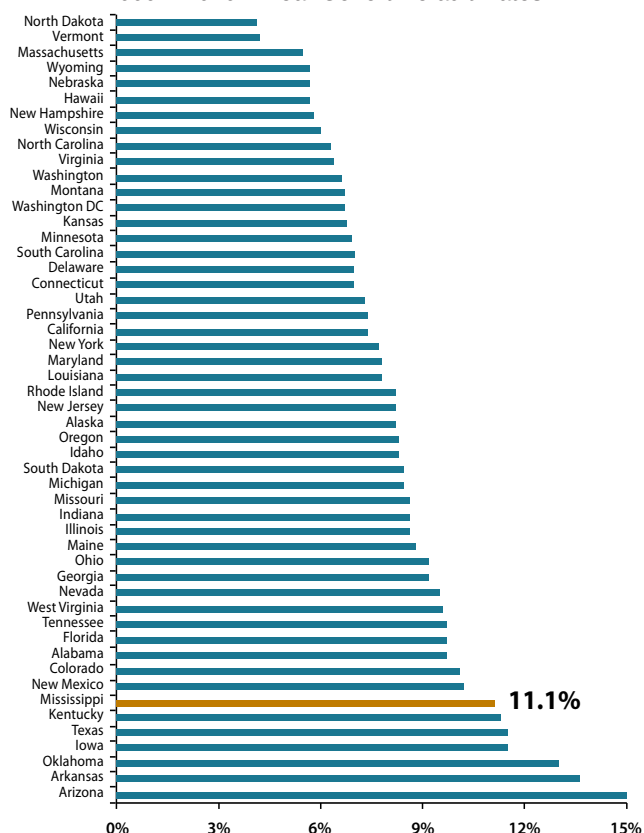
The amount of funding available to cover the cost of education for each student has fallen. After adjusting for inflation, Mississippi appropriated \$3,935 per full-time university student in 2012 compared to \$6,009 in 2000 – a decrease of \$2,074.

that loans can have a negative impact on college persistence and completion.<sup>xxx</sup> Even with the availability of the Federal Pell Grant program and state grant programs, a large portion of students in higher education need to take on debt to pursue a postsecondary degree, emphasizing that changes to the structure of state financial aid are needed.

In FY2010, 34,000 Mississippi students started repaying their student loans. Among these students, 11.1% defaulted on their loans within two years. Figure 9 shows student loan default rates by state, with Mississippi among the states with the highest rates. The portion of the FY2010 cohort in default was higher than the

national average of 9.1%, and Mississippi's rate was the 7<sup>th</sup> highest in the nation at this time. Higher than average default rates reflect that a larger portion of Mississippi students are not able to access sufficient wages to pay off debt after college.

Figure 9. **STUDENT LOAN DEFAULT RATES BY STATE**  
2009 – 2010 2-Year Cohort Default Rates.



Source: U.S. Department of Education. Federal Student Aid Program FY2010 2-Year Cohort Default Rates.





## RECOMMENDATIONS FOR STRENGTHENING FINANCIAL AID

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Strong financial aid is one way to ensure students are more likely to graduate, increase workforce competitiveness, and take on manageable debt.

Several critical trends are affecting our universities and colleges and the resources available to connect students with the education needed to access quality careers. Enrollment is rising and increasingly diverse. State appropriations are not keeping pace with growing student populations. Tuitions are rising while family incomes are not growing – increasing the risk that students will take on larger amounts of debt or be priced out of college altogether. At the same time, Mississippi's businesses and employers increasingly need working adults with postsecondary experience. The following recommendations will position Mississippi to move forward.

### **1. REMOVE MTAG EXCLUSIONS THAT EXIST FOR FULL PELL GRANT ELIGIBLE STUDENTS.**

Across Mississippi, the cost of attendance at public universities and community colleges far exceeds the value of a full Pell Grant (\$5,500) leaving students with thousands of dollars of costs still to cover for school. Currently, MTAG does not allow participation by students who are receiving a full Pell Grant. To open more financial aid options to students demonstrating substantial financial need, this exclusion should be removed.

**2. MOVE APPLICATION DEADLINES FOR THE HELP GRANT, SO THEY ARE THE SAME AS DEADLINES OF MTAG AND MESG.** As it currently stands, applications for the HELP grant must be submitted by March 31 of each year while MESG and MTAG grants must be submitted by September 15. The earlier deadline inhibits more low-income students in Mississippi from being able to apply for access to financial aid resources. Mississippi should shift the deadline for the HELP grant to match that of MTAG and MESG.

**3. INCREASE THE FAMILY INCOME ELIGIBILITY FOR THE HELP GRANT AND SHIFT MORE RESOURCES TO HELP.** Since 1997 when HELP was created, the income threshold for a family of three to receive support has been \$36,500.

While the income threshold has not been adjusted in over 15 years, the expenses encountered by families have risen. In 2006, the state's Tuition Assistance Study Commission recommended increasing the income threshold to \$45,000 for a family's Adjusted Gross Income. It has been seven years since the Commission released its findings and still no adjustments in eligibility have been made. Implementing such an increase through policy ensures families with financial need are able to access much needed financial support and opens a path for Mississippi to allocate more of its state aid on the basis of need.

**4. OPEN ELIGIBILITY FOR MTAG TO PART-TIME STUDENTS.** Currently, none of the three state-funded grant programs are available to students who enroll part-time. However, thousands of students – many who are working adults – aim to increase their skills through part-time enrollment at a community college or university. Adjustments should be made to MTAG eligibility to open the program to students who enroll part-time.

**5. INCREASE THE FINANCIAL AID APPROPRIATION FOR HELP GRANTS TO ENSURE RESOURCES ARE AVAILABLE TO COVER ADDITIONAL STUDENTS WHO ARE ELIGIBLE FOR THE PROGRAM BY ADJUSTING FAMILY INCOME THRESHOLDS AND EXTENDING DEADLINES.** Extending the application deadline for students will result in larger demand. Allocating the necessary funding to cover additional students will be a critical part of shifting the state's grant structure to better meet the needs of low and middle-income families.

**6. INCREASE OVERALL APPROPRIATIONS FOR STATE GRANTS TO COLLEGE AND UNIVERSITY STUDENTS.** Mississippi spends less on state aid relative to its overall higher education budget than many states in our region. In fact, Mississippi spent the equivalent to 2% of overall higher education spending on state-funded financial aid programs – less than Arkansas, Louisiana, Tennessee, Texas, and Georgia. To take a serious step in raising the affordability of college and supporting students of all ages with financial need, Mississippi will need to expand its funding of grant aid and the criteria for current grant programs.

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