

State Financial Aid Leaves Adult Learners Behind

Michigan needs to bring back the Part-Time Independent Student Grant to ensure that adult learners can build their skills, get a job and become economically secure.

Michigan’s job market is changing. For decades, many individuals became employed in the manufacturing sector immediately after graduating from high school at age 18, built up their skills on the job, and attained a livable wage with which they could support their families and retire with a pension.

Today, rather than teaching needed occupational skills on the job from “square one,” most employers who pay a livable wage expect their new hires to already possess those skills at some level. Sometimes prior experience is sufficient, but for many workers the attainment of required skills must be signified by a recognized credential such as a degree, license or certificate. These credentials are most often attained through completion of a postsecondary program at a community college, technical school or university.

Many workers set out to acquire new marketable skills with the expectation that doing so will lead to re-employment, higher pay or more job security. Some workers may have been laid off, others may be trapped in low-wage jobs, and still others may be re-entering the workforce after an extended time as full-time home-makers. Many such individuals do not possess a postsecondary credential and will have a difficult time in the labor market.

Unfortunately, while tuition at community colleges compares favorably to other states, Michigan’s public university tuition is the 6th highest in the nation (Fig. 1). Due to the rising costs, these older workers often need financial aid to help pay for their training. Each year, more than 100,000 (and sometimes more than 150,000)

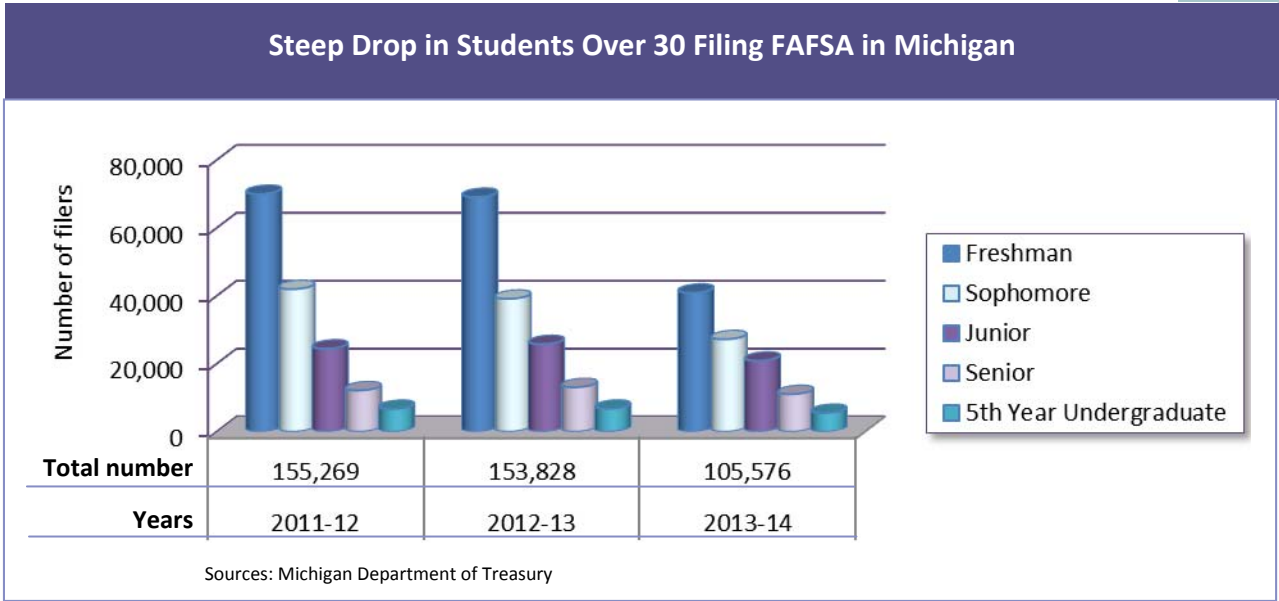
FIGURE 1

Michigan Has 6th Highest In-State University Tuition in the Nation (2016 Dollars)

Public Two-Year Colleges (In-District)					Public Four-Year Colleges (In-State)				
	2011-12	2016-17	Rank*	5-Year Change		2011-12	2016-17	Rank*	5-Year Change
Minnesota	\$5,497	\$5,377	5	-2%	Illinois	\$12,388	\$13,278	5	7%
Iowa	\$4,379	\$4,916	10	12%	Michigan	\$11,548	\$12,464	6	8%
Ohio	\$4,211	\$4,535	14	8%	Minnesota	\$10,671	\$10,952	14	3%
Indiana	\$3,769	\$4,407	16	17%	Ohio	\$10,064	\$10,266	16	2%
Wisconsin	\$4,079	\$4,294	19	5%	Indiana	\$8,887	\$9,201	27	4%
Illinois	\$3,357	\$3,890	28	16%	Wisconsin	\$8,731	\$8,928	28	2%
Michigan	\$3,047	\$3,596	36	18%	Iowa	\$8,055	\$8,271	33	3%

Notes: Average tuition and fee prices are weighted by full-time enrollment. Rank refers to 2016-17 tuition (1=highest in the nation).

Source: The College Board, Annual Survey of Colleges, 2015, Table 5. (<http://trends.collegeboard.org/college-pricing/figures-tables/tuition-and-fees-sector-and-state-over-time>, Accessed February 27, 2017)



individuals over age 30 in Michigan fill out the Free Application for Federal Student Aid, or FAFSA, which is used to determine eligibility for state as well as federal aid (Fig. 2).

THE PROBLEM

The decision to get trained in new skills is often made more than 10 years after graduation from high school. While state financial aid helps many students of traditional college age, there are no state financial aid programs to help students attend public community colleges or universities if they have been out of high school for more than 10 years. Two of the three existing grant programs explicitly exclude such individuals from eligibility, and the third is available only to those attending a private, not-for-profit institution:

- **Tuition Incentive Program:** Eligibility rules require applicants to apply prior to high school or GED completion and before the 20th birthday, and the award must be used within 10 years of high school or GED completion—effectively preventing anyone older than age 28-30 from using the award.
- **Michigan Competitive Scholarship:** Workers are ineligible if they are out of high school for more than 10 years, preventing students who graduated “on time” at age 18 from using the award once they pass age 28.
- **Michigan Tuition Grant:** Workers and parents of any age are eligible, but their postsecondary education

must be at a private not-for-profit institution. It is not available for use at community colleges, which offer programs specifically designed for students who are working or raising families (Fig. 3).

In addition, none of the three current grant programs are available to students enrolled less than half time or who are in short-term occupational programs. Students who are juggling employment, family and school must often go less than half time or enroll in a short-term program due to having to work and care for family members. While low-income adult students are likely to need employment to support their families and finance their education, working more than a few hours at a job can often result in lower grades and even dropping out. Not having financial aid may discourage adult learners from going to school less than half time.

In 2010, the Legislature eliminated a number of grant programs that were available to adult learners: the Adult Part-Time Grant, the Michigan Educational Opportunity Grant, the Michigan Nursing Scholarship, and Work-Study. This may have been a factor in the 31% decline in FAFSA applicants age 30 and over for school year 2013-14. (See Appendices 1 and 2.)

It should be pointed out that there are employer-sponsored training programs in some areas of the state that are of low cost or no cost at all to the student. Michigan supports such programs through its Skilled Trades Training Fund and there are other programs available in some areas as well. However, for older

Eligibility Restrictions on Michigan’s Need-Based Grants that Affect Adult Learners							
Program Name	Program Comments	Restrictions on Age for Eligibility	High School Diploma Required for Eligibility?	Short-Term Occupational Program Eligibility?	Half-Time Students Eligible?	Below Half-Time Students Eligible?	Maximum Award for Academic Year (2015–16)
Michigan Competitive Scholarship	Includes merit component for eligibility (ACT score & GPA).	Ineligible if out of high school more than 10 years.	Yes	No	Yes	No	\$636 Public Institution/ \$1,830 Private Institution
Michigan Tuition Grant	Provides assistance for attending an independent, not-for-profit institution.	None	Yes	No	Yes	No	\$1,830
Tuition Incentive Program	Medicaid-eligible students only. Phase 1 is for an associate degree or certificate; Phase 2 is for continuation in four-year degree program.	Must apply before 20th birthday and HS/ GED completion, and used within 10 years of HS/GED completion.	Yes	No	Yes	No	All expenses for associate degree or certificate; \$2,000 for continuation at four-year institution

Sources: Michigan Department of Treasury; National Association of State Student Grant and Aid Programs

working students who are in nonemployer-based programs at community colleges and public universities, there is no state financial aid available.

POLICY RECOMMENDATIONS

Michigan should do the following to make it easier for adult learners to receive financial aid:

1. Reauthorize funding for the Part-Time Independent Student Grant, which is specifically designed to serve adult learners in a wide variety of circumstances.
2. Implement a Work-Study program that subsidizes academically relevant work for low-income older students while paying a livable wage. Studies show that working students are less likely to drop out or suffer academic setbacks if their work is related to their courses of study. Although the traditional Work-Study program was ended in 2010, Michigan could replace it with a carefully targeted program that connects employment to academics. (For more

information, see the Working Poor Families Project paper *Earn to Learn: How States Can Reimagine and Reinvest in Work-Study to Help Low-Income Adults Pay for College, Enhance Their Academic Studies.*)¹

CONCLUSION

Helping older workers attain new skills leading to in-demand jobs will help grow Michigan’s economy. With the layoffs in manufacturing and other sectors, many workers with families are unemployed, underemployed or earning less than what they used to. This results in less tax revenue for the state and less economic stability for the families. Michigan should provide grants that enable working parents to get skilled jobs. It is good workforce development.

This paper is published with the support of the Working Poor Families Project.

ENDNOTES

1. Alstadt, D., *Earn to Learn: How States Can Reimagine and Reinvest in Work-Study to Help Low-Income Adults Pay for College, Enhance Their Academic Studies, and Prepare for Post-College Careers*, The Working Poor Families Project. Washington, DC: 2014. (<http://www.workingpoorfamilies.org/wp-content/uploads/2012/03/WPPF-Spring-2014-Brief.pdf>, accessed April 18, 2014)

Appendix 1

Need-Based Grant Program Awards, 2003–2015								
Year	MI Competitive Scholarship	MI Tuition Grant	Tuition Incentive Program	Part-Time Independent Student Grant	MI Educational Opportunity Grant	MI Nursing Scholarship	Work-Study	Duplicated Total
2003	29,513	36,961	5,422	6,998	5,184	1,362	5,918	91,358
2004	29,485	37,045	6,529	8,047	4,395	1,389	5,704	92,594
2005	28,580	37,958	7,637	6,362	4,193	1,387	5,549	91,666
2006	26,434	35,942	9,046	6,548	4,635	1,379	5,477	89,461
2007	27,802	34,141	10,462	6,037	4,299	1,483	4,938	89,162
2008	27,885	35,518	12,041	6,008	4,503	1,595	5,130	92,680
2009	28,832	35,660	13,957	5,868	4,435	1,546	5,583	95,881
2010	32,220	23,520	15,558	0	0	0	0	71,298
2011	34,943	22,269	16,424	0	0	0	0	73,636
2012	34,416	21,827	17,266	0	0	0	0	73,509
2013	33,891	22,226	18,166	0	0	0	0	74,283
2014	31,161	22,642	17,989	0	0	0	0	71,792
2015	29,527	21,893	18,189	0	0	0	0	69,609
2016	32,377	17,484	18,290	0	0	0	0	68,151

Appendix 2

Funding for Michigan Need-Based Grant Programs, 2003–2017								
Year	MI Competitive Scholarship	MI Tuition Grant	Tuition Incentive Program	Part-Time Independent Student Grant	MI Educational Opportunity Grant	MI Nursing Scholarship	Work-Study	Duplicated Total
2003	\$39,405,643	\$60,583,353	\$8,873,423	\$2,744,029	\$2,212,064	\$3,911,565	\$7,562,825	\$125,292,902
2004	\$39,605,384	\$52,996,579	\$11,281,720	\$2,645,688	\$2,081,429	\$3,920,626	\$6,655,415	\$119,186,841
2005	\$37,425,962	\$53,989,044	\$11,705,482	\$2,618,961	\$2,042,376	\$4,011,718	\$7,114,256	\$118,907,799
2006	\$34,573,693	\$51,094,356	\$14,694,653	\$2,641,895	\$2,066,572	\$3,964,549	\$6,895,529	\$115,931,247
2007	\$37,030,387	\$50,961,457	\$17,600,277	\$2,640,154	\$2,080,560	\$4,257,060	\$6,930,902	\$121,500,797
2008	\$37,071,451	\$53,088,352	\$21,798,128	\$2,636,407	\$2,076,524	\$4,447,010	\$6,797,457	\$127,915,329
2009	\$38,444,428	\$54,864,134	\$26,678,698	\$2,645,980	\$2,084,057	\$4,444,154	\$6,967,592	\$136,129,043
2010	\$21,377,766	\$25,480,385	\$31,519,636	\$0	\$0	\$0	\$0	\$78,377,787
2011	\$24,794,191	\$25,151,099	\$34,650,729	\$0	\$0	\$0	\$0	\$84,596,019
2012	\$23,765,771	\$25,165,137	\$38,367,536	\$0	\$0	\$0	\$0	\$87,298,444
2013	\$18,361,700	\$31,664,700	\$43,800,000	\$0	\$0	\$0	\$0	\$93,826,400
2014	\$18,361,700	\$31,664,700	\$47,000,000	\$0	\$0	\$0	\$0	\$97,026,400
2015	\$18,361,700	\$33,532,500	\$48,500,000	\$0	\$0	\$0	\$0	\$100,394,200
2016	\$18,361,700	\$34,035,500	\$48,500,000	\$0	\$0	\$0	\$0	\$100,897,200
2017	\$18,361,700	\$35,021,500	\$53,000,000	\$0	\$0	\$0	\$0	\$106,383,200

Sources: Michigan Department of Treasury; National Association of State Student Grant and Aid Programs