

State Financial Aid Leaves Adult Learners Behind

Michigan needs to revamp its financial aid system 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 find themselves needing to acquire new marketable skills with the expectation that doing so will lead to re-employment, higher pay or more job security. Some such 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 homemakers. Many such individuals do not possess a postsecondary credential and will have a difficult time in the labor market (see Appendix 1).

Unfortunately, tuition has increased at community colleges by 31%, though it still compares favorably to other states. Universities increased by 49% since 2005, and Michigan's public university tuition is the sixth-highest in the nation (Fig. 1). Due to the rising costs, these older workers often need financial aid to help pay for

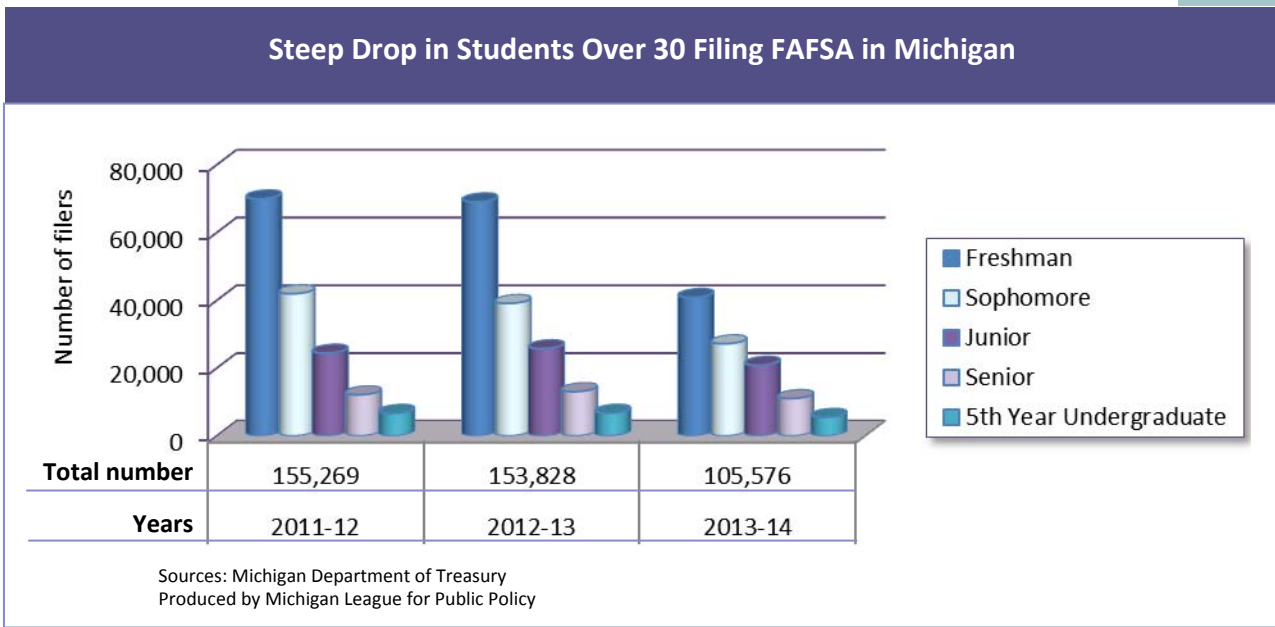
FIGURE 1

Michigan Has Sixth-Highest University Tuition in Country (2013 Dollars)

Public Two-Year Colleges					Public Four-Year Colleges				
	2004-05	2013-14	Rank	Change		2004-05	2013-14	Rank	Change
Minnesota	\$4,681	\$5,406	4	15%	Illinois	\$8,009	\$12,550	5	57%
Iowa	\$3,601	\$4,396	10	22%	Michigan	\$7,763	\$11,600	6	49%
Ohio	\$3,947	\$4,362	11	11%	Minnesota	\$7,971	\$10,468	12	31%
Wisconsin	\$3,584	\$4,173	16	16%	Ohio	\$10,158	\$9,906	16	-2%
Indiana	\$3,187	\$3,809	22	20%	Indiana	\$7,211	\$8,916	22	24%
Illinois	\$2,454	\$3,378	29	38%	Wisconsin	\$6,436	\$8,736	23	36%
Michigan	\$2,461	\$3,215	35	31%	Missouri	\$7,319	\$8,093	28	11%
Missouri	\$2,654	\$2,983	39	12%	Iowa	\$6,669	\$7,841	30	18%

Note: Average tuition and fee prices are weighted by full-time enrollment

Source: The College Board, Annual Survey of Colleges, October 2013, Table 5. (<http://trends.collegeboard.org/college-pricing/figures-tables/tuition-and-fees-sector-and-state-over-time>, accessed December 3, 2013.) Produced by Michigan League for Public Policy



their training. Each year, more than 100,000 (and sometimes more than 150,000) 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. As discussed in a recent paper by the Working Poor Families Project, 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.¹

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 2 and 3).

It should be pointed out that there are employer-sponsored training programs in some areas of the state

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 (2013-14)
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	\$630 Public Institution / \$1,524 Private Institution
Michigan Tuition Grant	Provides assistance for attending an independent, not-for-profit institution.	None	Yes	No	Yes	No	\$1,524
Tuition Incentive Program	Medicaid-eligible students only. Phase 1 is for an Associate Degree or certificate; Phase 2 is for continuation in 4-year degree program.	Must apply before 20th birthday and HS graduation or GED completion; must be used within 10 years of HS/GED completion.	Yes	No	Yes	No	All expenses for Associate Degree or certificate; \$2,000 for continuation at 4-year institution

Sources: Michigan Department of Treasury; National Association of State Student Grant and Aid Programs
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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 working students who are in non-employer-based programs at community colleges and 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. Make need-based grants available to older workers by
 - a) reauthorizing funding for either the Adult Part-Time Grant or the Educational Opportunity Grant, both of which were specifically designed to serve adult learners in a wide variety of circumstances, or
 - b) modifying the eligibility rules of the Michigan Competitive Scholarship and/or the Tuition Incentive Program to allow older workers to qualify and to allow the money to be used for less than half time enrollment or for short-term occupational programs.

2. Implement a Work-Study program that subsidizes academically relevant work for low-income adult 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.*)²

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, under-employed 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.

Appendix 1

Michigan Adults Without Postsecondary Education and/or English Proficiency			
		All	
Educational Level	Age	Number	Percent
No high school diploma or equivalent	18-64	602,655	9.8%
	25-54	349,135	9.1%
Only a high school diploma or equivalent	18-64	1,759,790	28.5%
	25-64	1,062,680	27.6%
Speak English less than "very well"	18-64	225,035	3.6%

Sources: Working Poor Families Project data generated by Population Reference Bureau from the American Community Survey, 2012

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Appendix 2

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

Sources: Michigan Department of Treasury; National Association of State Student Grant and Aid Programs
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Appendix 3

Funding for Michigan Need-Based Grant Programs, 2003-2014

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

Sources: Michigan Department of Treasury; National Association of State Student Grant and Aid Programs
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***Skilling Up Michigan** is a series of policy briefs from the Michigan League for Public Policy that addresses the access and affordability of postsecondary skill building in Michigan and urges the state to prioritize public investment in occupational skill building as a strategy for fighting poverty, reducing unemployment and building communities. This is the third paper in the series and 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/WFPF-Spring-2014-Brief.pdf>, accessed April 18, 2014)
2. Ibid.