



TESTIMONY ON STATE NEED-BASED FINANCIAL AID GRANTS
House Appropriations Subcommittee for Higher Education

Gilda Z. Jacobs, President and CEO

March 12, 2014

Good morning, Chairman Pscholka and members of the House Appropriations Subcommittee on Higher Education. My name is Gilda Jacobs and I am President and CEO of the Michigan League for Public Policy. We advocate for state policies that help low-income individuals and families in Michigan become economically self-sufficient. Thank you for providing the opportunity to speak here today.

We applaud your efforts to keep postsecondary education affordable for low- and middle-income students through tuition restraint policies and financial aid. We are pleased to see that the governor's budget has increased spending on the Tuition Incentive Program by \$1.5 million over last year. This grant and the other two grants, the Michigan Competitive Scholarship and the Michigan Tuition Grant, have helped many students get postsecondary education and attain a credential leading to employment.

While we encourage this committee to support the governor's increased funding for TIP, we also want to bring awareness of one important population that is not eligible to receive financial aid from the two state grant programs that can be used at public institutions: adult learners who have been out of high school more than 10 years. Many workers with families are either out of work or in low-paying jobs, and need to acquire occupational skills and a postsecondary credential to earn the wages they need to support their families.

Parents often make the decision to go to school for a postsecondary credential more than 10 years after they graduated from high school. However, two of the existing grant programs are not available to them and the third is only available if they attend 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.
- Workers are ineligible for the **Michigan Competitive Scholarship** 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.
- Workers and parents of any age are eligible for the **Michigan Tuition Grant**, but their postsecondary education must be at a private not-for-profit institution. It is not available

for use at community colleges, many of which offer programs specifically designed for students who are working or raising families.

In addition, none of the three grant programs are available to students enrolled less than half-time or who are in short-term occupational programs. Students who are juggling work, family and school often choose to go less than half time or enroll in a short-term program due to their time constraints. More detail on the restrictions of these programs can be found in the table I have included at the end of this paper.

In 2010, the Legislature eliminated a number of grant programs that served adult learners: the Adult Part-Time Grant, the Michigan Educational Opportunity Grant, the Michigan Nursing Scholarship and Work Study. We urge this committee to consider reauthorizing one or more of these programs, particularly the Adult Part-Time Grant and/or the Educational Opportunity Grant since those grants are able to serve adult learners in a wide variety of circumstances.

Helping older workers attain new skills leading to in-demand jobs is good for Michigan. 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. Providing grants that enable working parents to get skilled jobs is good workforce development.

I will be happy to answer any questions.

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