

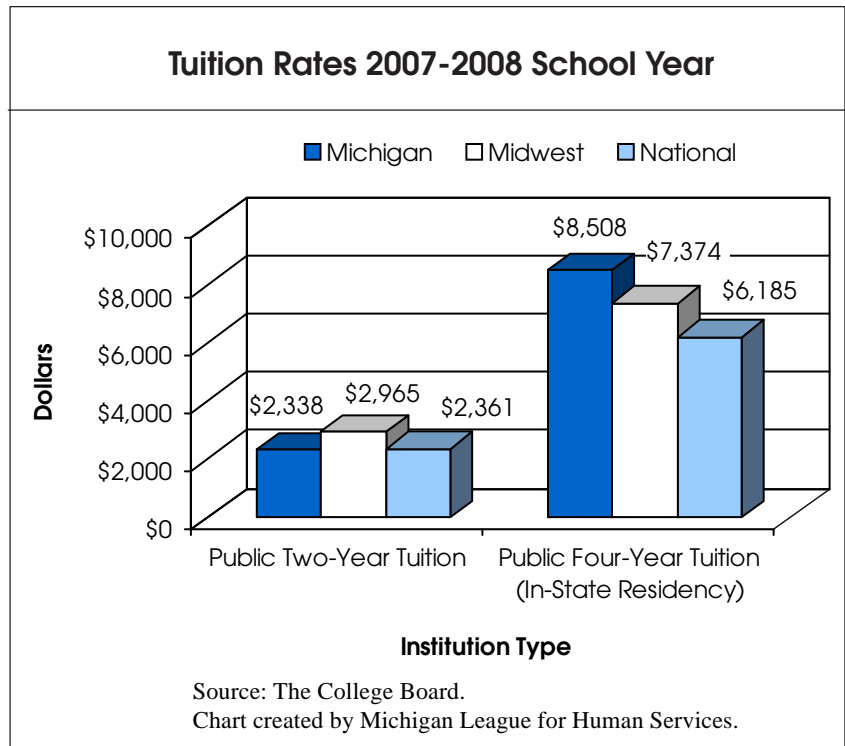


Importance of Postsecondary Education Increases While Financial Aid Eludes Many

As Michigan shifts from a skills-based to a knowledge-based economy, the value of postsecondary education and training for all Michigan residents is greater now than it has ever been. However, along with the increased value placed on education beyond high school, tuition rates have also increased. Tuition at public four-year colleges and universities in Michigan increased nearly 20 percent between the 2005-2006 school year and the 2007-2008 school year¹. In addition, preliminary data show that tuition at public four-year colleges and universities in Michigan increased, on average, 8 percent between the 2007-2008 and the 2008-2009 school year alone, while median household income declined 1.2 percent between 2006 and 2007.^{2,3} The same is true to a somewhat lesser extent for public two-year colleges as tuition increased just over 10 percent for the same time period. Both of these increases are above the national average tuition increases. Nationally, public four-year tuition rose 12.6 percent between the 2005-2006 and 2007-2008 school

years and public two-year tuition rose just over 8 percent for the same time period.

Tuition at Michigan’s four-year public colleges and universities continues to be higher than both the national and Midwest average. However, public two-year tuition in Michigan has still



¹ Baum, S. & Ma, J. (2007) *Trends in college pricing*. Washington, DC: The College Board.
² Jen, K.I. (2008). *State university tuition rates-revised*. Lansing, MI: Michigan House Fiscal Agency.
³ U.S. Census Bureau, American Community Survey, 2007.

remained slightly below the national and Midwest averages.^{4,5}

In addition, tuition at Michigan's licensed proprietary schools, which offer many vocational education courses and certificates, ranges anywhere from a few hundred dollars to thousands of dollars. Of the hundreds of vocational schools in Michigan, the majority of schools listed on the state of Michigan's proprietary school website do not offer financial aid.⁶

Tuition Has Significant Impact on Family Income

As tuition and fees continue to increase across the state, median family and individual incomes have remained stagnant or fallen in recent years. In addition, the percentage of individuals living below the poverty threshold has been consistently on the rise. In 2001, 9.2 percent of individuals 18 and over were living in poverty. By 2007 this percentage had risen to 14 percent. The same is true of family poverty. In 2001, 7.6 percent of families were living at or below the poverty threshold, and in 2007 just over 10 percent of all Michigan families were at or below this level.

Overall, family incomes have decreased 2.6 percent from 2004 to 2006, and for individuals who did not complete high school, incomes have

Tuition at public four-year colleges and universities in Michigan increased, on average, 8 percent between the 2007-2008 and the 2008-2009 school year alone, while median household income declined 1.2 percent between 2006 and 2007.

dropped 4.5 percent in the same time period.⁷ Furthermore, incomes for individuals with a high school diploma or equivalent have dropped 6.7 percent for the same time period.⁸ Meanwhile, tuition at Michigan community colleges has increased by 10 percent between the 2005-2006 and the 2007-2008 school years.⁹

Even as two-year college tuition remains lower than the national and Midwest average, tuition represents a significant portion of a family's income, especially for families earning less than \$30,000 per year, which is approximately 175 percent of poverty for a family of three. Therefore, for individuals and families who are near poverty (below 200% of the federal poverty guidelines), tuition and fees alone represent at least 8 percent of their total family income.

This represents a barrier for many students in families earning less than \$35,000 year, who have had to consider more affordable postsecondary options, due to high tuition costs. Of students in this group, 26 percent decided to postpone enrollment altogether.¹⁰ This is the highest of all income groups, with only 7 percent of students in families earning \$100,000 to \$150,000 per year postponing postsecondary enrollment due to the cost of tuition.

⁴ Ibid.

⁵ Midwest includes Illinois, Indiana, Iowa, Kansas, Michigan, Minnesota, Missouri, Nebraska, North Dakota, Ohio, South Dakota, West Virginia and Wisconsin.

⁶ Please see http://www.michiganps.net/search.aspx?_function=finaid

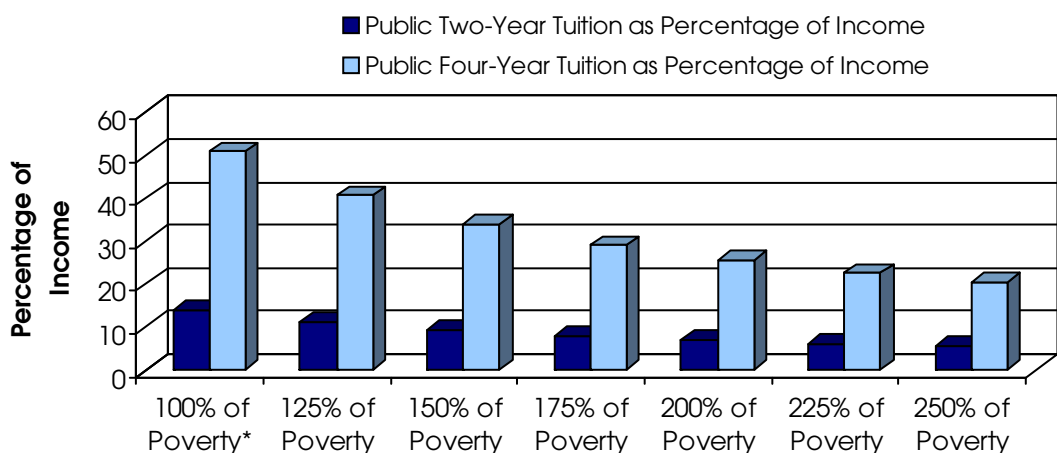
⁷ Incomes are in 2006 dollars.

⁸ U.S. Census Bureau, American Community Survey, 2004, 2006.

⁹ 2004 and 2006 family income data is referenced as the Free Application for Federal Student Aid uses income data from the previous calendar year to calculate the financial aid package for the upcoming school year.

¹⁰ Sallie Mae. (2008, August). *How America pays for college*. Reston, VA: Author.

Tuition Costs as Percentage of Income for the 2007-2008 Academic Year



*Percentage of poverty is based on a family of three. The poverty threshold for a family of three in 2007 was \$16,705.

Tuition data obtained from The College Board

The Financial Aid Process

To obtain federal student aid, and to be considered for most aid offered by the State of Michigan, students must complete the Free Application for Federal Student Aid (FAFSA). In Michigan, the deadline to complete the FAFSA to be considered for aid is March 1 and many sources of financial aid are allocated on a first come, first serve basis.

In its current incarnation, the FAFSA is a lengthy (up to 11 pages including instructions and worksheets) detailed form that students must complete to be

Overall, family incomes have decreased 2.6 percent from 2004 to 2006, and for individuals who did not complete high school, incomes have dropped 4.5 percent in the same time period.

considered for both federal and most state sponsored financial aid.¹¹ Students may complete this form either via the Internet or on paper, if a paper copy is requested directly from the U.S. Department of Education. The FAFSA collects academic and social information about the student as well as income and asset information. If a student is determined to be a dependent student, information is also collected regarding their parent's finances, as well as social and academic information. A student is considered to be independent if any of the following conditions are met:

- The student is at least 24 years old by December 31 of the award year;

¹¹ With the signing of the Higher Education Opportunity Act of 2008, the FAFSA form will be simplified down to three pages and will allow students to revise information each year, instead of filling out a new form every year. It is not stated when this new form will be released.

- The student is an orphan, ward of the court, or was a ward of the court until age 18;
- The student is in, or has been in the child welfare system;¹²
- The student is homeless or is at risk of becoming homeless;
- The student has children that receive more than half of their support from the student;
- The student is enrolling in a graduate degree program;
- The student is married on the day the FAFSA is submitted (separation is included as married);
- The student has dependents (other than children or spouse) that receive more than half of their support from the student;
- The student is currently on active duty in the U.S. Armed Forces or;
- The student is a veteran of the U.S. Armed Forces who was released under any condition other than a dishonorable discharge.

However, if none of these stipulations are met, the student is considered to be dependent. This means the income of the student's parents will be taken into account when calculating the financial aid package. If the student believes he or she should be considered an independent student, as he or she is not receiving support from parents, he/she may appeal to the financial aid administrator at the school they wish to attend. To appeal, the applicant must provide documentation to support his or her appeal. Once the decision has been made, it may not be appealed to the U.S. Department of Education.

Once the application has been submitted, the student receives a Student Aid Report summarizing the information provided on the FAFSA and includes the Estimated Family Contribution (EFC). The EFC is calculated by a federal formula which takes into account income, assets, benefits (including unemployment or Social Security), family size and the number of family members engaged in postsecondary education or training. The EFC is subtracted from the cost of attendance which calculates the student's financial need, upon which the student's aid package, not including unsubsidized Stafford Loans, is based^{13,14}. It should be noted that the FAFSA can present a barrier for low income applicants. In addition to its current length and complexity, it requires information from tax forms from the previous tax year. However, for the 2007 tax year, if a single person earned less than \$8,750 (or married filing jointly less than \$17,500) they do not have to file income tax, and would therefore not have the needed information for the application for student aid.¹⁵

Financial Aid for Low-Income Students and Adult Learners in Michigan

The federal government offers many loan programs to students with financial need who desire an education beyond high school. Many of the aid programs offered by the federal government are need-based programs.^{16,17}

There are also several state-sponsored financial aid programs available to Michigan students demonstrating financial need. However, many of the programs offered by the state require a student be below a certain age or enroll in a

¹² The provisions for students involved with the child welfare system and for homelessness are contained in Section 604 of the College Cost Reduction and Access Act of 2007 and do not go into effect until July 1, 2009.

¹³ Federal Stafford Loans are loans where the U.S. Department of Education is the lender. These loans are for students enrolled at least half time as an undergraduate, graduate, or professional degree granting program. Subsidized Stafford Loans require financial need.

¹⁴ U.S. Department of Education. (2007) *Funding education beyond high school: The guide to federal student aid 2008-09*. Washington, DC: Author.

¹⁵ United States Department of Treasury-Internal Revenue Service. 2006. *2007 1040-A Instructions*.

¹⁶ Ibid.

¹⁷ With the exception of unsubsidized Stafford Loans and PLUS Loans.

community college, university (public or private), or other degree or certificate granting program within a certain post-graduation time-frame.¹⁸ This excludes many adults who may be over a certain age or have graduated from high school or completed a GED more than 10 years ago.

In addition to traditional student aid programs, the Jobs, Education, and Training program (JET), which replaced Work First, was created to assist in not only placing Family Independence Program (FIP) recipients into jobs, but to also allow for education and training that would help adults move into employment leading to economic self-sufficiency. However, the JET program has not reached its full potential for facilitating education and training due to lack of adequate funding. JET was implemented statewide in October 2007 and as of December 2007, just over 2,000 people were receiving education or training. The state has estimated that approximately 26,000 people in the JET program need further education or training.¹⁹

Michigan's No Worker Left Behind program is another financial aid program for which many adults in Michigan who want or need further training may be eligible. Under the No Worker Left Behind program, eligible individuals could obtain up to two years worth of free tuition at any Michigan university, community college or other approved training program with the stipulation that education or training be in an emerging industry or high-demand occupation.²⁰ To be eligible for the program, an applicant must be

While Michigan and the federal government offer many financial aid programs for low-income students, most of these programs are directed at students enrolled in traditional postsecondary education or training

either unemployed, have received a notice of layoff or termination from their employer, or be employed with a family income of \$40,000 per year or less. The applicant also may not have graduated from high school within the last two years and be at least 18 years old. While the No Worker Left Behind program has placed thousands of individuals into education and training programs statewide since its

inception in August 2007, the demand has been so strong there is now a sizeable waiting list, partially due to the program being severely under funded.

Lack of Financial Aid as a Barrier to Postsecondary Education

Many barriers such as transportation, child care, course schedules, and employment schedules can stand in the way of an adult obtaining postsecondary education or training. However, with tuition and fees constantly on the rise along with necessities for everyday living, affording the cost of postsecondary education or training is a key barrier for many.

Lack of aid available to non-traditional postsecondary education programs—While Michigan and the federal government offer many financial aid programs for low-income students, most of these programs are directed at students enrolled in traditional postsecondary education or training. The majority of aid programs the state offers require the student to enroll in an approved community college or a public or independent degree-granting college or university.²¹ This

¹⁸ For a detailed discussion of the requirements of many aid programs, please see Appendix A.

¹⁹ Michigan Department of Human Services. (2008). *Jobs, education, and training (JET) update*.

²⁰ Tuition is capped at \$5,000 per year for two years, for a total of \$10,000 per person.

²¹ The exclusions are the Michigan Merit Award Program, which is being phased out and replaced by the Michigan Promise Grant Program and the Tuition Incentive Program, which specifically includes Focus: HOPE.

excludes students wishing to attend many proprietary or vocational schools which do not hold federal Title IV accreditation. These schools are often occupationally focused and offer accelerated training programs and flexible course schedules that working adults needing training may be able to more easily access.

In addition, many of these aid programs will only cover remedial education or developmental courses if they are prerequisites for a credit-bearing degree or certificate. Also, if federal aid is received for these courses, there are a maximum number of semesters students can use this aid for these courses.²²

Visibility and access to other sources of financial aid—While many individuals may be aware of programs such as Pell Grants and other traditional state or federal funding sources through the FAFSA form, many may not be aware of other programs administered by the U.S. Department of Labor. Many of these programs, funded through the Workforce Investment Act (WIA) or Trade Adjustment Assistance (TAA), are offered through one-stop centers, such as Michigan Works! Programs such as the WIA Adult Program and the WIA Dislocated Worker Program offer not only educational services, but job placement assistance adult basic education (ABE), English as a Second Language (ESL), and skills training.

Many of the programs offered using these funds allow individuals to engage in education and/or training outside of a traditional college or university setting, which often provide adults more flexibility in scheduling. Unfortunately, many of these programs are not widely publicized and many individuals may not be aware that they may

be eligible for them or where to obtain information about them.

Credit checks for private loans and PLUS Loans—While federal loans in the student's name do not require credit checks, private loans and federal parent loans to aid the student (PLUS Loans) do require such checks. With credit problems arising in households across the economic spectrum, and the tightening private educational loan market, many applicants in Michigan, even with the signing of the 2008 Ensuring Continued Access to Student Loans Act, may be denied access to loans.

In addition, many private lenders that have previously offered federally backed student loans (which do not require a credit check) to students attending certain community colleges or less competitive four-year institutions, are beginning to end this practice.²³ Furthermore, many students are beginning to lose access to federal student loans as many community colleges are removing their institutions from the federal student loan program. In Michigan, 39.9 percent of all college students attend a community college. Of this population, 2.2 percent of students do not currently have access to federal student loans as their college no longer offers them at their institution.²⁴

A primary reason institutions are backing out of offering federal student loans is the fear of high loan repayment default rates by students attending their institutions. If the school has a default rate 25 percent or higher for three consecutive years, the school will lose its eligibility to participate in the Stafford loan program and Pell Grants for three years. If the rate is 40 percent or higher in one year, the school will not be eligible to participate

²² Biswas, R. R., Choitz, V., & Prince, H. (2008, June). *Pushing the envelope: State policy innovations in financing postsecondary education for workers who study*. Boston, MA: Jobs for the Future.

²³ Glater, J. (2008 June 2). Student loans start to bypass 2-year colleges. *The New York Times Online Edition*. Retrieved June 3, 2008.

²⁴ The Project on Student Loan Debt. (2008, April). Denied: Community college student lack access to affordable loans. Berkeley, CA: Author.

in the Stafford loan program for three years. However, only one community college nationwide faced a sanction due to high default rates in 2005, when sanctions were first instituted.²⁵

What Is Being Done to Address the Barriers

With financial aid becoming harder to obtain, and the costs of daily life becoming more and more expensive, the ability of low-skilled adults or students from low-income families to continue their education beyond high school is becoming more difficult.

Streamlining the financial aid application— Until the passing of the College Opportunity and Affordability Act of 2008, little was being done by the federal government to improve the process by which students apply for financial aid. The FAFSA form, in its current state, is a long and complicated. The process required to complete this form may deter many low-income students or low-skilled adults from applying for aid. In addition, the FAFSA form is now no longer readily available in paper form, which means applicants must have access to the Internet to either complete the form online, print the form or call to request a form.

However, the College Opportunity and Affordability Act of 2008 also makes changes to federal financial aid programs. One of the biggest changes is to the FAFSA form. The Act states that an EZ FAFSA will be created for individuals eligible for the Automatic Zero EFC and for those eligible for the Simplified Needs Test (SNT). In addition, the EZ FAFSA form must require data

that states use to award financial assistance, if states opt to use the EZ FAFSA. The traditional FAFSA will also have the number of questions reduced 50 percent.²⁶

These changes still may not go far enough in assisting low-income families or low-skilled working adults. While the FAFSA will be simplified in the future and paper applications can be obtained, a tool the U.S. Department of Education suggests those applying for aid use is the FAFSA4caster, which allows applicants to receive an estimate of what their EFC will be, is only available online. This may be difficult for low-income students or families who may not have internet access readily available.²⁷

Federal changes to assist low-income families and displaced workers— Some changes contained in the Deficit Reduction Act of 2005, the College Cost Reduction and Access Act of 2007, and the Ensuring Continued Access to Student Loans Act of 2008 have already been implemented, making it easier for students to access the aid needed to attend engage in post-secondary education. Such changes include^{28,29,30}:

- **The Automatic Zero Expected Family Contribution:** Previous to the changes enacted by the 2005 Deficit Reduction Act, a student in a family with an annual adjusted gross income for \$16,000 or less would qualify for an automatic EFC of \$0. This changed to \$20,000 or less. However, the College Cost Reduction and Access Act of 2007 increased this amount to \$30,000 or less for some students. This applies to dependent students and independent students with dependents other than a spouse, dislocated

²⁵ Ibid.

²⁶ H. Res 4137 College Opportunity and Affordability Act, 110th Cong. (2008).

²⁷ Long, B.T. (2008, April). *What is known about the impact of financial aid? Implications for policy*. New York, NY: National Center for Postsecondary Research.

²⁸ Duke, A. & Strawn, J. (2007, September). *Congress expands access to postsecondary education and training for low-income adults*. Washington, D.C.: Center for Law and Social Policy.

²⁹ H. Res 2669 College Cost Reduction and Access Act, 110th Cong. (2007).

³⁰ H. Res 5715 Ensuring Continued Access to Student Loans Act, 110th Cong. (2008).

workers, and those who have received means-tested benefits within 24 months of applying for financial aid.

- **Earned Income Tax Credit (EIC) and welfare benefits including Temporary Assistance for Needy Families (TANF):**

The College Cost Reduction and Access Act of 2007 states that EIC payments and welfare payments will no longer be counted as income.

- **Simplified Needs Test (SNT):** The College Cost Reduction and Access Act of 2007 expanded the categories of individuals eligible for SNT. The SNT allows financial aid to be calculated using a simplified formula that does not take into account family or student assets. Students that qualify for this test now include dislocated workers and those who have been recipients, within the last 24 months, of a means-tested program benefit (ex: Supplemental Security Income [SSI], Temporary Assistance for Needy Families [TANF], food stamps, free or reduced school lunch, and the Nutrition Program for Women, Infants and Children [WIC]). Previously, this was only available to families receiving means-tested programs in the last 12 months. In addition to the above provisions, families will be eligible for the SNT if:

- o The family filed an income tax return and,
- o The family's adjusted gross income is below \$50,000.

- **Income Protection Allowance:** The College Cost Reduction and Access Act of 2007 increases the amount of income the federal government will exclude for basic living expenses (such as food, housing, transportation, etc) before reducing student aid. For independent students without dependents the amounts are:

- o \$7,000 in 2009-2010;
- o \$7,780 in 2010-2011;
- o \$8,850 in 2011-2012 and;
- o \$9,330 in 2012-2013.

For married students with spouses not enrolled:

- o \$11,220 in 2009-2010;
- o \$12,460 in 2010-2011;
- o \$13,710 in 2011-2012 and;
- o \$14,960 in 2012-2013.

In addition, a working parent with one child will be able to protect \$17,720 of income for the 2009-2010 school year. The current amount protected is \$10,520. This amount will increase to \$22,630 for the 2012-2013 school year. Increases in this amount will be tied to the Consumer Price Index. It should be noted that for married students and independent students without dependents, earnings are counted against federal financial aid with incomes below the poverty level.

In addition to these changes, the Ensuring Continued Access to Student Loans Act of 2008, passed and signed into law this spring is aimed at ensuring students have access to loans. The law does this in part by increasing Stafford Loan limits for loans disbursed on or after July 1, 2008 and making changes to the PLUS Loan program.

This law states that a lender of PLUS Loans has the ability to determine whether an applicant may qualify for a loan due to extenuating circumstances. The extenuating circumstances are defined as an applicant being delinquent for 180 days or fewer on a mortgage payment or medical bill and are not and have not been more than 89 days delinquent on the repayment of any other debt during the same period. The time period for this provision is on payments missed between January 1, 2007 and December 31, 2009.

Pell Grant increases—In addition, the College Cost Reduction and Access Act of 2007 made changes to the Federal Pell Grant, which the College Opportunity and Affordability Act of 2008 expanded upon. The Pell Grant is a federal grant covered by the Higher Education Act of 1965. The grant is awarded through participating institutions to low-income students demonstrating financial

need. Grants are typically awarded to students who have not completed their first bachelor's degree, but may be awarded to certain students enrolled in a post-baccalaureate program that leads to teacher certification.³¹

However, with college costs constantly rising, the value of the Pell Grant has begun to decline recently. The College Cost Reduction and Access Act of 2007 gradually increased the maximum Pell Grant award to \$5,400 by the 2012-2013 award year. This is a 25 percent increase over the 07-08 award year. The College Opportunity and Affordability Act of 2008 now allows for a second Pell Grant to be awarded to students enrolled in classes all year, to help accelerate progress towards a postsecondary certificate or degree. In addition, this Act increases this amount to \$7,600 for the 2012-2013 award year, which is a 41 percent increase in the previous 2012-2013 award maximum. The award maximum for the 2014-2015 academic year is \$8,000. From the 2009-2010 academic year to the 2014-2015 academic year, the award maximum will increase by 33 percent. The previous increase was 25 percent between the 2007-2008 and the 2012-2013 academic years.

What Can Still Be Done

Increase state-sponsored financial aid for occupation and vocational education—As it currently stands, there are two financial aid programs sponsored by the state that allow for adults to engage in education outside that of a degree or certificate granting public or private institution. This severely limits the ability for students who wish to engage in non-credit or occupationally focused study to receive aid. Many working or

low-income adults may not be able to attend a traditional two or four-year college or university due to work schedules or child care responsibilities, but may need a few courses to build their skills to maintain or gain employment. This is evidenced by the percentage of students receiving education or training through the No Worker Left Behind Program. The majority of students are receiving training through proprietary schools.³² However, many of these students would not be eligible for aid through traditional state sponsored aid programs.

Employer supports—While many employers offer their employees reimbursement for employment related training or re-training, many low-income workers cannot enroll for courses if funds are not immediately available. One way this barrier may be removed is through the use of Lifelong Learning Accounts (LiLAs). LiLAs are portable, employee-owned, employer-matched accounts that are used to finance education and training.³³ Funds from LiLA accounts may be used to not only cover tuition and fees, but textbooks and other supplies as well. The accounts are optional on the part of both the employer and the employee and may be funded through third-party funds such as tax credits or foundation funds.

The Council for Adult and Experiential Learning completed a national demonstration and study of 359 workers with LiLAs in San Francisco, Chicago, and northeast Indiana across the fields of government, health care, manufacturing and restaurant services. As of June 2005, over half of employees with LiLAs had taken at least one course. The study also found that employers saw increased productivity after their participation in the demonstration project.³⁴

³¹ U.S. Department of Education. (2007) Federal student aid. . *In Guide to U.S. Department of Education programs*. pp. 66-78. Washington, DC: Author.

³² Michigan Department of Labor and Economic Growth. (2008, February). *No Worker Left Behind: By the numbers*. Lansing, MI: Author.

³³ The Council for Adult & Experiential Learning. (n.d.). *Lifelong learning accounts*. Retrieved August 8, 2008, from <http://www.cael.org/lilas.htm>

³⁴ The Council for Adult & Experiential Learning. (n.d.). *CAEL multi-site LiLA demonstration*. Retrieved on August 12, 2008, from <http://www.cael.org/LiLA/multi-site.htm>

While LiLA accounts are not currently available in Michigan, the Department of Labor and Economic Growth is working closely with the Corporation for a Skilled Workforce, a non-profit policy research and practice organization located in Ann Arbor, in designing a pilot strategy. This strategy would test LiLAs in a few key regions and industries, in moving towards building a sustainable instrument to help fund lifelong learning in Michigan.

While many changes have been made to help low-income students and low-skilled adults obtain postsecondary credentials, much more can still be done. Even as the Ensuring Continued Access to Student Loans Act of 2008 allowed lenders to take into account extenuating circumstances of the borrower that have a negative impact on credit history, this may not be of much help to Michigan families and families living in chronic poverty. The law states that these extenuating circumstan-

ces are covered for the period between January 1, 2007 and December 31, 2009. However, Michigan families began experiencing economic hardship well before 2007 as bankruptcies increased steadily since 2001 and hit their peak in 2005.³⁵ In addition, the loan applicant must not be more than 89 days late on any other debt in the same period. This provision may not assist families living in chronic poverty and may be juggling monthly bill payments.

The lack of aid available to students desiring to enroll in occupational training thwarts the chances many working adults will have to obtain the training necessary to obtain employment in Michigan's changing economy or to advance in the labor market. Without the funds needed to obtain a postsecondary credential, more and more Michigan families will fall behind economically and Michigan's economy will continue to struggle without a large, educated workforce.

jacqui/FinancialAid

³⁵ Administrative Office of the U.S. Courts (2008). *Bankruptcy statistics*. Retrieved August 11, 2008, from <http://www.uscourts.gov/bnkrpctstats/statistics.htm#june>

Appendix A: Sources of Financial Aid for Low-Income and Adult Learners, 2008

State Sponsored Financial Aid Programs ¹	FAFSA Required	Need or Merit Based	Maximum Amount Awarded	Part-Time Student Eligible	Repayment
No Worker Left Behind** This program provides up to two years of education or training at approved institutions in in-demand or emerging fields for Michigan adults who: are currently unemployed OR have received a notice of layoff or termination OR are employed but earn less than \$40,000/year. The student must have been out of high school for at least two years and not be a current full-time college student.		Need	\$5,000/year up to two years	✓	
Adult Part-Time Grant For part-time independent undergraduate students demonstrating financial need. The student may not have graduated within the last two years.	✓	Need	\$600/academic year for not more than two, 12 month periods.	✓	
Michigan Competitive Scholarship Eligible students must have received a qualifying score on the ACT exam in addition to maintaining a post-secondary cumulative GPA of 2.0 and not be in default on any federal student loans.	✓	Both	\$1,300/academic year at public colleges and universities, \$2,100 at independent colleges and universities	✓	
Michigan Tuition Grant The grant provides financial assistance to students attending a private in-state degree granting institution. The student must not be in default on any federal student loans or be pursuing a degree in theology, divinity, or religious education.	✓	Need	\$2,100/academic year	✓	
Tuition Incentive Program (TIP) Students are eligible for the program if they are receiving or have received Medicaid for 24 months within a 36-month consecutive period. Students must complete the application before graduation/GED completion and before their 20th birthday. Students must enroll at a participating school (including Focus: HOPE and tribally-controlled colleges) within four years of high school graduation/GED completion. Program eligibility expires within ten years of high school/GED completion.		Need	Phase 1: Variable Phase 2: \$500/semester or \$400/term, up to \$2,000	✓	
Michigan Educational Opportunity Grant (MEOG) This grant is available to students who demonstrate financial need and will be enrolled at least part-time at a public post-secondary degree granting institution.	✓	Need	\$1,000/academic year	✓	

State Sponsored Financial Aid Programs ¹	FAFSA Required	Need or Merit Based	Maximum Amount Awarded	Part-Time Student Eligible	Repayment
<p>Michigan Promise Scholarship** This merit based program is replacing the Michigan Merit Award Program. The scholarship started with the graduating class of 2007 and eligible students have taken the Michigan Merit Exam. Students must enroll at an approved post-secondary institution within two years of high school graduation, complete postsecondary education within four years of first enrollment and, maintain a cumulative college GPA of at least 2.5 to remain eligible (or proof of course completion for those in vocational education programs that do not record grades). Funds are distributed on various schedules depending on the students' score on the Merit Exam.</p>		Merit	\$4,000 total	✓	
<p>Michigan Work Study The Work Study program is limited to ten semesters and provides students with financial work opportunities on (and in some cases) off campus. The rate of pay will be at least that of the current federal minimum wage.</p>	✓	Need	Variable	✓	
<p>Children of Veterans Tuition Grant This grant provides aid to students between the ages of 16 and 26 who are children of veterans who have: been killed in action or died while serving in a war, have died or become totally and permanently disabled as a result of service, or are listed as Missing in Action. Student must not have been convicted of a felony involving assault, physical injury or death and must maintain a cumulative GPA of at least 2.25.</p>		N/A	<p>Full time students: \$2,800/academic year; Three-quarter time students: \$2,100/academic year; Half time students: \$1,400</p>	✓	
<p>Michigan Nursing Scholarship The scholarship is a non-need based award available to students enrolled in a program leading to a Licensed Practical Nurse (LPN) certification, a Bachelor of Science (BSN), or Master of Science in Nursing (MSN). In exchange, the student agrees to gain a nursing license and eligible employment as a teacher or direct care nursing in Michigan within one year of program completion.</p>		N/A	<p>Full time students: \$4,000/academic year; Three-quarter time students: \$3,000/academic year; Half time students: \$2,000</p>	✓	

Federal Financial Aid Programs	FAFSA Required	Need or Merit Based	Maximum Amount Awarded	Part-Time Student Eligible	Repayment
<p>Pell Grant This grant provides need based aid to students who have not yet earned their first bachelor's degree or to students in certain post-baccalaureate programs that are leading to teacher certification. The award amount depends on the student's expected family contribution, the cost of attendance and the enrollment status of the student.</p>	✓	Need	\$4,800 for the 2008-2009 award year, increasing each year to \$8,000 for the 2014-2015 award year	✓	
<p>Federal Supplemental Educational Opportunity Grant (FSEOG) This award provides need based aid to students with exceptional family need, and students with Pell Grants receive priority. The amount of the award is partially determined by how much other aid the students receives. The final award amount is determined by the school's office of financial aid.</p>	✓	Need	\$4,000/academic year	✓	
<p>Academic Competitiveness Grant (ACG) This grant is awarded to students who have completed a rigorous high school curriculum, majoring in science, selected foreign languages, or mathematics and maintaining at least a 3.0 GPA. Students must also attend school full-time and be eligible for a Pell Grant. Funding is for the first and second academic years only.</p>	✓	Both	\$750/first academic year \$1,300/second academic year	✓ Starting January 1, 2009	
<p>National Science and Mathematics Access to Retain Talent Grant (National SMART Grant) This grant program has the same requirements as the Academic Competitiveness Grant (ACG) but is for students in their third or fourth year of undergraduate study.</p>	✓	Both	\$4,000/ third and fourth academic year	✓ Starting January 1, 2009	
<p>Federal Work Study This program is similar to Michigan's work study program in that it provides part-time employment opportunities to students demonstrating financial need.</p>	✓	Need	Variable	✓	
<p>Perkins Loan This is a federal loan program that provides loans to students demonstrating financial need. Repayment is made directly to the student's academic institution. The interest rate is fixed and usually remains low, which is currently fixed at 5 percent.</p>	✓	Need	\$4,000/academic year	✓	✓

Federal Financial Aid Programs	FAFSA Required	Need or Merit Based	Maximum Amount Awarded	Part-Time Student Eligible	Repayment
<p>Stafford Loan This is a federal loan that is administered in several ways. The Direct Loan Program enables students and parents to borrow funds directly from the U.S. Department of Education. Loans are repaid directly to the U.S. Department of Education. The Federal Family Education (FFEL) program enables students and parents to borrow funds that are guaranteed by the federal government, from private institutions, such as banks.</p>	✓	<p>Unsubsidized: Non-need Subsidized: Need</p>	<p>Dependent students: 1st year: \$3,500 2nd year: \$4,500 3rd year and beyond: \$5,500. These limits are increased by \$2,000 for loans distributed on or after July 1, 2008. Not to exceed a total of \$23,000 or \$31,000 for loans distributed on or after July 1, 2008. Independent students: 1st year: \$7,500 (no more than \$3,500 in subsidized loans) 2nd year: \$8,500 (no more than \$4,500 in subsidized loans) 3rd year and beyond: \$10,500 (no more than \$5,500 in subsidized loans). The unsubsidized loan base will increase by \$2,000 for loans disbursed on or after July 1, 2008. Totals are not to exceed \$46,000 with no more than \$23,000 of this amount in subsidized loans. This total amount will increase to \$57,500 for loans disbursed on or after July 1, 2008.</p>	✓	✓
<p>PLUS Loan This loan may be awarded to parents of dependent students or to graduate students pursuing a degree. A credit check is required. However, starting May 7, 2008 lenders may be able to qualify a potential borrower that is delinquent for fewer than 181 days on medical payments or a home mortgage between Jan. 1, 2007 and Dec. 31, 2009 due to extenuating circumstances. To receive this loan, a credit check will be conducted, and the applicant must not be in default on any other federal student loans.</p>	✓	Non-need	The cost of attendance minus any other aid.	✓	✓

All information is for non-graduate programs unless otherwise noted.

¹State sponsored programs provide aid for residents of the state of Michigan who are attending in-state schools unless otherwise noted.

**State program that explicitly includes vocational training/proprietary schools

Unless otherwise stated, students must be enrolled at a Title IV accredited degree or certificate granting institution and enrolled in a degree or certificate bearing program to receive aid.

In addition to the sources on this chart, federal funding for non-traditional education and training is available to adults through the U.S. Department of Labor's Workforce Investment Act and Trade Adjustment Assistance. Information regarding these programs may be found through Michigan Works! at <http://www.michiganworks.org/>

Sources:

H. Res 4137 College Opportunity and Affordability Act. 110th Cong. (2008).

H. Res 5715 Ensuring Continued Access to Student Loans Act, 110th Cong. (2008).

Jen, K.I. (2008). *Overview: Financial aid and grant programs*. Lansing, MI: Michigan House Fiscal Agency.

Michigan Department of Treasury. (2008). *Paying for college: Student financial aid*. Retrieved July 7, 2008, from, http://www.michigan.gov/mistudentaid/0,1607,7-128-38195_39283---,00.html

Michigan Department of Labor and Economic Growth. (2008). *Fact sheet: No worker left behind*. Retrieved July 7, 2008 from, http://www.michigan.gov/documents/nwlb/NWLB_Fact_Sheet_Final_203216_7.pdf

National Association of Student Financial Aid Administrators. (2005). *Federal student financial aid: A national profile of programs in Title IV of the Higher Education Act*. Washington, DC: Author.

National Association of Student Financial Aid Administrators. (2008). *NASFAA summary of the Higher Education Opportunity Act*. Retrieved on August 12, 2008, from <http://www.nasfaa.org/publications/2008/HEAsummary.html>

National Council of Higher Education Loan Programs. (2008, July) *Summary of Ensuring Continued Access to Student Loans Act of 2008*. Retrieved August 1, 2008 from <http://www.nchelp.org/elibrary/index.cfm?parent=1945>

U.S. Department of Education. (2007) *Funding education beyond high school: The guide to federal student aid 2008-09*. Washington, DC: Author.

U.S. Department of Education. (2007) Federal student aid. *In Guide to U.S. Department of Education programs*. pp. 66-78. Washington, DC: Author.