Testimony - December 2014

A Call for Re-Examining New York's Tuition Assistance Program

CUF Research Associate Christian González-Rivera testified before the New York State Assembly's Committee on Higher Education in December 2014 on how the state's Tuition Assistance Program (TAP) effectively bars thousands of part-time students from financial aid and gave recommendations for how TAP requirements could be modified to include more part-time students and increase their graduation rates.

by Christian González-Rivera

I'm Christian González-Rivera, research associate at the Center for an Urban Future, a non-partisan public policy think-tank based here in Manhattan that publishes studies about the key challenges and opportunities facing New York, from studies about the need to improve the New York City's youth workforce development system to the need to expand ESOL programs at the state level. We have written a number of studies about the challenges that working adults face in accessing the education they need to build their skills and become more competitive in the labor force, including a study called Completion Day that documented the incredibly low graduation rates at the state's community colleges.

We also produced a study back in 2007 called Learning to Work, Working to Learn and another in 2011 called Fostering Careers, both of which discussed the poor labor market outcomes of young people aging out of the foster care system and advocated for, among other things, a measure that this legislature has already passed: increasing the benefits available to foster youth through TAP.

Thank you for the opportunity to testify.

Last week, the Center for an Urban Future published a brief arguing that at a time when having a postsecondary credential is more critical than ever for getting a good job or advancing in your career, too few working adults are getting the chance to go to school to gain more skills. And a big part of the problem is that the eligibility restrictions of Part-Time TAP (PTAP) effectively bar tens of thousands of New Yorkers who can only afford to enroll in college on a part-time basis from benefitting from the program. As you know well, the state's eligibility rules require that students be enrolled full-time for two consecutive semesters before they can enroll part-time and still qualify for TAP, and also have strict time limits on how many semesters a student may receive TAP awards.

More and more New Yorkers are seeing the value of engaging in post-secondary training and enrolling in community college classes, even when they have to work and support a family. Part-time students now account for 42 percent of those enrolled at SUNY and CUNY community colleges, up from 32 percent in 1980. Yet, in 2013, less than 1 percent of the nearly 150,000 part-time students enrolled at the state's community colleges received financial aid through the state's TAP program. At CUNY community colleges, just 91 out of nearly 40,000 part-time students received TAP funds to help pay for school that year.

TAP eligibility criteria are structured to cater to students who drop down to part-time after attending full-time, which gives full-time students the opportunity to lower their course load for a semester or two if outside obligations get in the way. But those students who need to start with a lower course load and increase their courses to a full-time level later on are barred from receiving any financial aid. This disqualifies tens of thousands of nontraditional students every year, and incentivizes many others to take on a full-time courseload just to qualify for aid, even when they are not ready to do so. Also, because part-time students tend to require more time to complete their degrees than students who are attending college full-time, they are likely to run out of TAP eligibility before they get a chance to complete their degrees.

These restrictions are a big reason why so few part-time students who enroll in community colleges actually earn a degree or professional certification. Just 35 percent of community college students graduate within six years of matriculating, and at CUNY community colleges only 29 percent do.[1] Nationally, research has found that student debt and lack of access to financial aid are the key problems associated with low completion rates.

We are talking primarily about access to New York's community colleges because they have a particularly important role to play in elevating poor and working poor New Yorkers into the ranks of the middle class. The economy is producing few decent-paying jobs for people with only a high school diploma, and community colleges offer the most accessible path for working adults to obtain a post-secondary credential.

There is a clear need to increase the number of New Yorkers with a post-secondary credential. More than 60 percent (61.4 percent) of the state's working poor families feature at least one parent who does not have any postsecondary education.[2] Meanwhile, nearly 2.7 million adults in the state are employed work in low-wage jobs—33.7 percent of all New Yorkers over the age 18, compared to a national average of 28.2 percent.[3] Yet, only 5.4 percent of adults in New York are enrolled in post-secondary institutions at least part time, well below the national average of 7 percent.[4]

In fact, students who are older, already working and in need of additional training and education form a much larger pool of potential students than do recent high school graduates, yet TAP is structured to serve the traditional college student who enrolls full-time right out of high school. Fully 16 percent of New Yorkers ages 25 and older (about 2.2 million people) are counted by the Census as having "some college;" and of those, 72 percent have one or more years of postsecondary education under their belts but have not earned a degree. An additional 3.6 million New Yorkers over 25 have only a high school degree.[5] In contrast, the entire state of New York is estimated to produce only 169,883 high school graduates in the class of 2015.[6]

The requirement that students complete a year of college courses on a full-time basis presents one of the biggest barriers

preventing working adults from getting financial aid to go to school. This restriction means that if you start full-time your first year but then need to drop down to part-time you can get TAP, but not if you need to start your education as a part-timer. And if you are an adult who is working full time, or who may need to care for children or parents, chances are that if you are going back to school, you would do so on a part-time basis.

According to several financial aid directors, college counselors, and others we interviewed during the course of our research, there are a considerable number of students who will take on a full-time courseload just so they can be eligible for TAP, despite that they would be taking on more than they can handle given their outside responsibilities. Many of these students end up performing poorly in some or all of their classes and losing TAP eligibility because of poor academic performance. And of course, paying aid for classes that a student feels forced to take just to meet eligibility requirements is a gross waste of aid dollars.

Another TAP restriction that places an undue burden on many part-time and nontraditional students is the six semester (or three year) eligibility window. Students who have to study for extended periods on a part-time basis have an extremely hard time finishing their studies in just three years. Making matters worse, many community college students—both nontraditional students and traditional ones—require extensive remedial coursework and will not begin to finish courses that count toward their degree until their second or even their third semester. In 2011, 75 percent of first-year students at CUNY community colleges required remediation in either reading, writing or math, and 25 percent of students required remediation in all three subjects.[7]

Moreover, part-time students would benefit from the option of taking summer courses in order to make faster progress towards degree completion, but TAP is not available during the summer. Because part-time students must schedule their classes around outside obligations, not having TAP available during the summer needlessly reduces students' flexibility about when they can take courses. The annual hiatus can also erode the momentum students may need to stay on track towards degree completion.

Making matters worse, working students who are considered to be 'independent' for tax purposes must earn $10,000 Net Taxable Income per year (or approximately $23,000 gross per year) or less in order to qualify for state aid, which is an incredibly low income threshold.

Together, the three-year eligibility window, the requirement that students enroll full-time before they can qualify for PTAP, the lack of a summer option and the absurdly low income threshold for single students with no dependents make it extremely difficult for nontraditional students to plan their course load and stay on the path toward graduation.

We understand that the fear of runaway costs is the biggest obstacle to the state taking action on extending TAP to part-time students. But, in fact, allowing more part-time students to access TAP may not actually lead to the runaway costs that legislators fear. While expanding eligibility is likely to increase demand for higher education in the state, students taking a full-time course load in order to be eligible for TAP would instead be able to receive a reduced, pro-rated grant, reducing costs to the state and alleviating a burden for students. Being able to assume a manageable schedule will allow many students to successfully complete the number of credits they attempt, putting them on firmer footing to eventually complete a degree.

Evidence of this can be found right here in New York State in the results of the PTAP pilot program run at CUNY between 2000 and 2003, which resulted in the adoption of PTAP statewide. During the three-year pilot period, CUNY disbursed $4 million in PTAP to 5,267 students, for an average award of $759 per term. CUNY and the state decided to pay for the PTAP pilot by reducing the per-credit award rates under APTS, thereby making the project cost-neutral to the state. Nonetheless, CUNY ended up saving nearly a half million dollars in aid expenditures. The single biggest reason for the savings, according to researchers, was the dramatic reduction in the number of students who were taking extra classes only in order to qualify for full-time TAP.[8]

The results of the pilot also present evidence that PTAP can contribute to greater academic success. During the CUNY pilot, PTAP recipients had an average GPA of 2.7 compared to 2.6 for APTS recipients and all degree-seeking undergraduates. That part-time students were performing at around the same level as full-time students is a remarkable result, given that part-time students are more likely to have responsibilities outside of school.

And yet, despite the concern over runaway costs, the state senate recently passed a bill to expand the maximum income eligibility for dependent students from $80,000 to $100,000, which would cost an estimated $90.8 million per year.[9] While there are no doubt many deserving students who would benefit from this legislation, low-income, working adults who study part-time deserve to be a part of the discussion as well.

The ability to return to school with financial support would allow working adults to complete unfinished degrees while continuing to work, which when coupled with additional student supports would go a long way towards increasing average levels of educational achievement in New York State. As the Center for an Urban Future demonstrated in Completion Day (June, 2013), the economic benefit of increased educational achievement would provide a big return on investment: a 10 percentage point increase in the state's community college graduation rate would provide a $150 million one-year boost to the state economy in the form of higher incomes, increased economic activity due to increased spending, and in more of the taxpayers' investment in postsecondary education resulting in graduates rather than dropouts.[10]

New York is one of only 14 states to sharply limit access to part-time students. Some educators have argued that policymakers should not be encouraging students to enroll part-time, since data suggests that full-time students have a higher likelihood of graduating. But poor and working poor New Yorkers with family obligations or paltry savings simply can't afford to quit their jobs and enroll in classes full-time. Instead of excluding thousands of low-income students from financial aid opportunities because they can't afford to attend school full time, you should use your power as legislators to give these hard-working residents the tools to succeed in college. Easing TAP's eligibility restrictions for part-timers is a good place to start.

To that end, the Center for an Urban Future recommends that the state fold TAP, PTAP, and APTS into one centralized New York State financial aid system that grants awards to students based on credits attempted, and would not be limited by the number of semesters it takes a student to complete. Importantly, it would allow students to matriculate as part-time from the beginning of their postsecondary education, and adjust their credit load each semester according to their needs without the added worry about losing financial aid. Taking the additional step of making TAP available in the summer would allow students to spread their courses throughout the year, and accelerate progress towards completion.

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[1] Tom Hilliard, Completion Day, Center for an Urban Future, June 2013.

[2] Ibid.

[3] Ibid. A low-wage worker is defined as an individual 18 and older who is either employed at work or employed absent from work who earns below a state specific "low wage" figure (i.e., the national low wage figure multiplied by the state cost of living index). The national low wage figure was based upon the preliminary weighted average poverty threshold for a family of four in 2013 ($23,836). If a person works full-time for one year (i.e., 40 hours per week for 52 weeks per year) and earns $23,836 per year, that person would be making $11.46 per hour. The state cost of living indices used here, from 2011, are published in the article, "Real Personal Income and Regional Parities for States and Metropolitan Areas, 2007-2011," by Bettina H. Aten, Eric B. Figueroa, and Troy M. Martin, (Survey of Current Business, August 2013): Table 1. The article is available online at http://www.bea.gov/scb/pdf/2013/08%20August/0813_regional_price_parities.pdf (Feb.3, 2014)

[4] Ibid.

[5]

Ibid.

6 State University of New York (SUNY) and New York State Education Department (NYSED). (2007). “Projection of High School Graduates, New York State, 2007-08 to 2018-19.” Retrieved from http://www.highered.nysed.gov/oris/demographics/hsgprojections.pdf.

7 Lisa Foderaro, “CUNY Adjusts Amid Tide of Remedial Students,” The New York Times, March 3, 2011.

8 Internal CUNY document.

9 Figure provided by the office of Senator Kenneth LaValle, the sponsor of the bill (S7795). Figure is an estimate of the cost for the 2015-2016 fiscal year.

10 Tom Hilliard, Completion Day.

This testimony was presented on December 10, 2014.

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