STATE AID SCENARIOS

Slight changes to state aid programs can have a big impact on award amounts and accessibility for students. In this resource, we will demonstrate how shifts to state aid programs have an impact on five hypothetical students. First, meet our students:

JACOB

Jacob is a recent high school graduate. His Student Aid Index (SAI) is 0. He graduated high school with a 3.3 GPA and a 19 on the ACT.
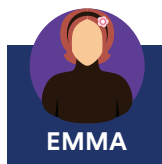
PATRICIA

Patricia is a recent high school graduate. She has an estimated SAI of 800; however, Patricia does not qualify for federal student aid because she is undocumented. Her high school GPA was a 3.7 and she scored a 24 on the ACT.

ALEX

Alex has been working since graduating high school 10 years ago and wants to go to college to get her first degree. She has an SAI of 2,000.

EMMA

Emma is a recent high school graduate. She has an SAI of 8,000. Her high school GPA was 2.9 and she scored a 21 on the ACT.

CAMERON

Cameron is a recent high school graduate. He has an SAI of 25,000, a 3.6 GPA, and a 28 ACT score.

These are hypothetical students, but their circumstances mimic real-life situations. Academic preparation and family income vary for our students, but studies have shown that family income is correlated with high school GPA and ACT composite scores, with students from families with higher income having higher GPAs and ACT scores, on average.[1]

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1   Sockin, J. 2021. *Is Income Implicit in Measure of Student Ability?*. Penn Wharton Budget Model. https://budgetmodel.wharton.upenn.edu/issues/2021/9/28/is-income-implicit-in-measures-of-student-ability

We wanted to see the impact different aid programs have on each of these students' expected financial aid.

SCENARIO 1: The state offers a need-based aid program of up to $3,000 for students who are Pell-eligible. The state also has a tiered merit program. Students with a 3.5 GPA and 26 ACT can earn $5,000, and students who do not meet those requirements but have at least a 3.0 GPA and a 21 on the ACT can still earn an award of $2,000. The state also has a last-dollar promise program at the two-year colleges for students who enroll within six months of graduating high school. In this first scenario, undocumented students are not eligible for state aid.

SCENARIO 2: The state makes some shifts to make aid more accessible. First, they change the requirements for the merit aid programs to be that students need to demonstrate either the GPA *or* ACT requirement. They also change the promise program to be a first-dollar program and remove the requirement for immediate enrollment following high school. The state allows undocumented students to access the free tuition at two-year colleges, but undocumented students still can't access the other state aid programs.

SCENARIO 3: The state decides to eliminate merit awards and redistribute that funding to the need-based program and expand the promise program. The state increases the need-based award to $5,000. The state also expands eligibility for need-based aid by removing the requirement of Pell eligibility (which would exclude undocumented students and others who do not or cannot file a FAFSA); this could look like a state-based application for students who cannot file a FAFSA or using free or reduced price lunch or public assistance as a proxy for financial need. The state also expands the promise program to be at both two- and four-year colleges and makes all state aid available to undocumented students.

STATE AID SCENARIOS

	SCENARIO 1	**SCENARIO 2**	**SCENARIO 3**
NEED-BASED AID	Up to $3,000 for students who are Pell-eligible	Up to $3,000 for students who are Pell-eligible	Up to $5,000 for students who demonstrate financial need based on state methods for identifying students with need
MERIT AID	Tiered merit program: • Merit award of $5,000 for students who have a GPA of 3.5 *and* 26 ACT • Merit award of $2,000 for students who have a GPA of 3.0 *and* a 21 ACT	Tiered merit program: • Merit award of $5,000 for students who have a GPA of 3.5 *or* a score of 26 on the ACT • Merit award of $2,000 for students who have a GPA of 3.0 *or* a score of 21 on the ACT	*Merit awards eliminated and funding redistributed to expand Promise program and increase need-based aid award amount.*
PROMISE PROGRAM/ FREE TUITION	*Last*-Dollar Promise Program at 2-year colleges for students who enroll within 6 months of graduating high school	*First*-Dollar Promise Program at 2-year colleges (immediate enrollment not required)	First-Dollar Promise Program at 2-year *and* 4-year colleges
CITIZENSHIP REQUIREMENTS	State aid not available to undocumented students	State Promise Program ($0 tuition at 2-year colleges) available to undocumented students	All state aid available to undocumented students

Next, we want to see how much our five students would expect to receive in total gift aid (Federal Pell Grant + State Aid) based on the three scenarios on the previous page.

We assumed all students were in-state and would be receiving in-state tuition (though in reality, in-state tuition for undocumented students is not guaranteed in every state). For these calculations, we used the following numbers based on the Education Data Initiative (as of May 2024):

	TUITION	TOTAL COST OF ATTENDANCE
2-year college	$3,598	$17,439
4-year college	$9,750	$27,146

The numbers in the following table are hypothetical but show how much gift aid a student could expect to receive from federal and state sources depending on how the state's aid programs are structured. To learn more about our assumptions and the calculations behind these numbers, see pages 4–6.

TOTAL GIFT AID FOR EACH STUDENT BY STATE AND INSTITUTION TYPE

STUDENT	SCENARIO 1		SCENARIO 2		SCENARIO 3	
	2-YEAR	4-YEAR	2-YEAR	4-YEAR	2-YEAR	4-YEAR
JACOB SAI: $0 | GPA: 3.3 | ACT: 19	$10,395 ✓	$10,395 ✓	$15,993 ✓	$12,395 ✓	$15,993 ✓	$22,145 ✓
PATRICIA SAI: $800 | GPA: 3.7 | ACT: 24 SPECIAL CIRCUMSTANCES: Patricia is undocumented	$0	$0	$3,598 ✓	$0	$8,598 ✓	$14,750 ✓
ALEX SAI: $2,000 SPECIAL CIRCUMSTANCES: Alex is an adult learner	$7,584 ✓	$7,584	$11,182 ✓	$7,584	$12,641 ✓	$18,793 ✓
EMMA SAI: $8,000 | GPA: 2.9 | ACT: 21	$3,598 ✓	$0	$5,598 ✓	$2,000	$3,598 ✓	$9,750 ✓
CAMERON SAI: $25,000 |GPA: 3.6 | ACT: 28	$5,000 ✓	$5,000	$8,598 ✓	$5,000	$3,598 ✓	$9,750 ✓

✓ Total gift aid (federal + state) covers the student's tuition

STATE AID SCENARIO CALCULATIONS

In order to calculate the student aid scenarios, we made the following assumptions:

- All students would be receiving in-state tuition and attending public colleges in the state.

- Tuition at 2-year colleges was $3,598 and the total cost of attendance was $17,439. Tuition at 4-year colleges was $9,750 and the total cost of attendance was $27,146.

- A student's Pell award would be the maximum Pell amount for 2024-25 ($7,395) minus their Student Aid Index (SAI). If this number was negative (or in the case of Patricia, who is undocumented), the Pell award was $0.

- The students were awarded the same proportion of the state's need-based award as they were of Pell. For example, if a student received 80% of the maximum Pell award, they were awarded 80% of the state need-based aid award. The only exception was Patricia who was awarded the full state need-based award since she was ineligible for Pell.

- The calculations only consider federal and state gift aid the student receives. The calculations do not include loans, work-study, or private or institutional scholarships.

	SCENARIO 1	SCENARIO 2	SCENARIO 3
GIFT AID			
Pell Maximum	$7,395	$7,395	$7,395
State Need-Based Aid Maximum	$3,000	$3,000	$5,000
Merit 1 (3.5 GPA/26 ACT)	$5,000	$5,000	
Merit 2 (3.0 GPA/21 ACT)	$2,000	$2,000	
Promise — 2-year institutions	$3,598	$3,598	$3,598
Promise — 4-year institutions			$9,750

JACOB	SAI = 0	SCENARIO 1	SCENARIO 2	SCENARIO 3
GIFT AID			
Pell	$7,395	$7,395	$7,395
State Need-Based	$3,000	$3,000	$5,000
Merit 1 (3.5 GPA/26 ACT)	$0	$0	$0
Merit 2 (3.0 GPA/21 ACT)	$0	$2,000	
Promise — 2-year institutions	$0	$3,598	$3,598
Promise — 4-year institutions			$9,750
TOTAL GIFT AID			
2-year institutions	**$10,395**	**$15,993**	**$15,993**
4-year institutions	**$10,395**	**$12,395**	**$22,145**

	SCENARIO 1	SCENARIO 2	SCENARIO 3
PATRICIA | SAI = 800			
GIFT AID			
Pell	$0	$0	$0
State Need-Based	$0	$0	$5,000
Merit 1 (3.5 GPA/26 ACT)	$0	$0	
Merit 2 (3.0 GPA/21 ACT)	$0	$0	
Promise — 2-year institutions	$0	$3,598	$3,598
Promise — 4-year institutions			$9,750
TOTAL GIFT AID			
2-year institutions	$0	$3,598	$8,598
4-year institutions	$0	$0	$14,750
ALEX | SAI = 2,000			
GIFT AID			
Pell	$5,395	$5,395	$5,395
State Need-Based	$2,189	$2,189	$3,648
Merit 1 (3.5 GPA/26 ACT)	$0	$0	
Merit 2 (3.0 GPA/21 ACT)	$0	$0	
Promise — 2-year institutions	$0	$3,598	$3,598
Promise — 4-year institutions			$9,750
TOTAL GIFT AID			
2-year institutions	$7,584	$11,182	$12,641
4-year institutions	$7,584	$7,584	$18,793
EMMA | SAI = 8,000			
GIFT AID			
Pell	$0	$0	$0
State Need-Based	$0	$0	$0
Merit 1 (3.5 GPA/26 ACT)	$0	$0	
Merit 2 (3.0 GPA/21 ACT)	$0	$2,000	
Promise — 2-year institutions	$3,598	$3,598	$3,598
Promise — 4-year institutions			$9,750
TOTAL GIFT AID			
2-year institutions	$3,598	$5,598	$3,598
4-year institutions	$0	$2,000	$9,750

	SCENARIO 1	SCENARIO 2	SCENARIO 3
**CAMERON	SAI = 25,000**			
GIFT AID			
Pell	$0	$0	$0
State Need-Based	$0	$0	$0
Merit 1 (3.5 GPA/26 ACT)	$5,000	$5,000	
Merit 2 (3.0 GPA/21 ACT)	$0	$0	
Promise — 2-year institutions	$0	$3,598	$3,598
Promise — 4-year institutions			$9,750
TOTAL GIFT AID			
2-year institutions	$5,000	$8,598	$3,598
4-year institutions	$5,000	$5,000	$9,750

Check out the full suite of *Aiding Attainment* resources, including the state aid benchmarking tool, state spotlights, student aid scenarios, and more at **edstrategy.org/resource/aiding-attainment.**