

## Policy Brief

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### **Indiana's Adult Learners: Supportive Services Must Be Aligned with Aid to Ensure Completion, Boost Economy**

With the proposed creation of its first Adult Learners Grant, Indiana has the opportunity to begin making a needed transformation of the way the state provides opportunities for adult learners to complete degrees and skills development credentials. Re-crafting the previous Part-Time Grant's structure to focus on independent students is an important first step in recognizing the unique needs of adult learners and the barriers to education they face. But unless the state follows this step by aligning financial aid with supportive services across agencies and institutions, Indiana will likely not succeed in reaching its education completion goals and workforce development targets.

Over a third of Indiana's working-age adults have no post-secondary education at all, and well over half a million have some college but no degree. Meanwhile, Indiana's skills gap remains wide<sup>1</sup> as employers increasingly demand middle-skill credentials above the high-school level. However, barriers including family obligations, child care, transportation, and school and work schedules misaligned with aid opportunities prevent many adults from upskilling to meet the needs of a changing economy<sup>2</sup>. This brief will identify current educational attainment and labor market trends for Indiana's adults, describe obstacles to completion for this population, and recommend inter-agency steps needed to align program delivery and result in improved completion rates and outcomes statewide.

#### **Indiana's Adult and Part-Time Post-Secondary Population: Status and Attainment**

Indiana's low educational attainment rate for working-age adults sets the stage for where the state can make the most gains through policy change. According to a Working Poor Families Project analysis of 2013 U.S. Census data, 30.1 percent of prime working-age adults (773,335) in Indiana ages 25-54 had only a high school diploma or equivalent, a higher percentage than all our neighboring states except Kentucky. In addition, 589,585 or 22.9 percent of all working-age Hoosier adults had some post-secondary education

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<sup>1</sup> National Skills Coalition and the Indiana Institute for Working Families, *Indiana's Forgotten Middle Skills Jobs: 2013 Update*, <http://goo.gl/S2QuSF>

<sup>2</sup> National Governors Association, *Complete to Compete: Improving Postsecondary Attainment Among Adults* [goo.gl/fn1C1p](http://goo.gl/fn1C1p)

but no degree. Only 36 percent of Indiana's adults ages 25-54 had an associate degree or higher, the lowest amongst our neighbors, again except for Kentucky. Furthermore, 282,520, or 11 percent of adults ages 25-54 were without a high school diploma or equivalent. However, just 6.8 percent (or 174,485) of Indiana adults ages 25-54 were enrolled in post-secondary education in 2013.<sup>3</sup>

Indiana's independent and working-age adults make up over a third of the state's undergraduate post-secondary population. In 2013-14, there were 83,509 working-age adults from 25 to 54 years old enrolled, making up 29.3 percent of all students at Indiana's colleges. In addition, 21,089 students under 25 and who were financially independent received state aid in 2013-14, or 7.4 percent of the student population.<sup>4</sup>

The needs and solutions for Indiana's adult and part-time students are naturally intertwined because these are often the very same population. The majority of students in Indiana's post-secondary institutions attend part-time at some point, and nearly a third attend exclusively part-time, often due to work and family obligations. However, until this past year, state policy has resulted in less than three percent of Indiana's financial aid going to its Part-Time Grant, resulting in little over two percent of the state's part-time students receiving any financial aid through that or any other state grant.

In their November 2014 report 'Indiana Part-Time College Students 2014 Study', the Indiana Commission for Higher Education found that 55 percent of Indiana's post-secondary students have attended part-time (fewer than 12 credit hours per semester) in at least one semester over the past four years. And out of Indiana's part-time population, the majority (52 percent) attend exclusively part-time, compared to the 48 percent of what the Commission terms 'switchers', those who have attended with both part- and full-time status. Out of Indiana's entire post-secondary, degree-seeking population, 30 percent of students attend exclusively part-time, while 25 percent have attended both at part- and full-time status at some point.<sup>5</sup>

### **Working Adults & Parents are an Essential Segment of Indiana's Post-Secondary Population**

Being an adult student often includes the need for full-time work and balancing part-time study with the reality of family obligations. Almost two-thirds of the 124,993 post-secondary adult students in Indiana age 25-54 in 2012 worked their way through school. The majority of these students (61.8 percent) worked

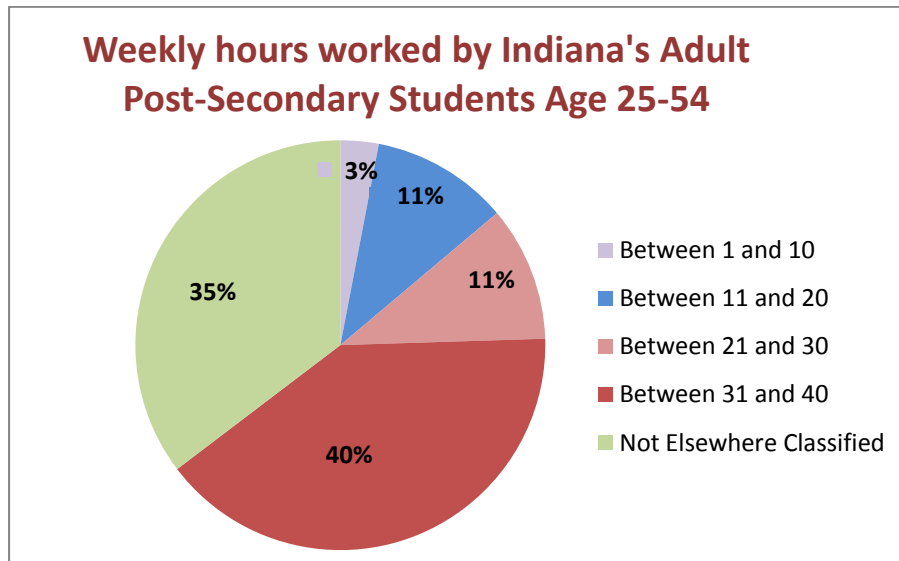
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<sup>3</sup> Working Poor Families Project data generated by Population Reference Bureau, analysis of 2013 American Community Survey

<sup>4</sup> Source: Indiana Commission for Higher Education Data Submission System

<sup>5</sup> Indiana Commission for Higher Education, *Indiana Part-Time College Students 2014 Study: A study of the economic and academic needs of Indiana's part-time student population* [goo.gl/ZgTE5j](http://goo.gl/ZgTE5j)

over 30 hours per week, and an even greater supermajority (78.3 percent) worked more than the usual part-time status of 20 hours per week. For the majority of adult students, working more than part-time is needed to go to school, whether as a part-time or full-time student.<sup>6</sup>



Source: IIWF Calculation of 2012 American Community Survey, Public Use Microdata Sample, U.S. Census Bureau

Many adult learners are also parents, and the challenge of balancing studies with raising dependent children cannot be ignored when considering solutions to completion. According to the Institute for Women’s Policy Research, nationwide 26 percent of all undergraduate students are raising dependent children (up 50 percent since 1995), with single women making up 43 percent of the entire student parent population. Meanwhile, access to child care on campuses is declining. Less than half (46 percent) of 2-year colleges now provide any kind of child care on campus, down from a high of 53 percent as recently as 2004. The rates are somewhat higher at 4-year institutions: 51 percent had child care on campus in 2013, down from 53 percent in 2002. The downward trend is particularly problematic, as the largest proportion of student parents (44.5 percent) attend public 2-year colleges compared to any type of institution, but only 15.6 percent attend public 4-year colleges.<sup>7</sup>

Indiana’s part-time students are even more likely to be adults and parents: in 2012-13, 84 percent of those receiving Indiana’s Part-Time Grant were independent students, compared to 60 percent of all state

<sup>6</sup> IIWF Calculation of 2012 American Community Survey, Public Use Microdata Sample, U.S. Census Bureau

<sup>7</sup> Institute for Women’s Policy Research Fact Sheet: Campus Child Care Declining Even As Growing Numbers of Parents Attend College [goo.gl/aOYyAv](http://goo.gl/aOYyAv)

recipients. The median age for part-time recipients was 29, compared to 24 for all recipients. 75 percent of part-time recipients were women, compared to 61 percent of the total award population. Part-time students are more than twice as likely to be single parents: nearly 45 percent of Part-Time Grant recipients are independent single parents of dependent children, compared to 21 percent of all award recipients.<sup>8</sup>

Simply put, without systemically addressing the needs of work and child care for adult learners, Indiana will not meaningfully improve completion rates for working and parent adult students, even with a modified financial aid structure.

**Completion gains will require supportive services integrated with aid, matched to adults’ needs**

Increasing Hoosier adults’ level of education and skills attainment is crucial for Indiana’s economic future, and solutions must match the realities of work and family needs in order to be effective. In 2012, the largest share of labor demand, at 54 percent, was for middle-skill jobs requiring more than a high school diploma but less than a four-year degree. However, only 47 percent of Hoosier adults had the education and training required to qualify for those jobs. Meanwhile, demographic projections show that adults who have been in the workforce since 2010 will remain nearly 2/3 of Indiana’s workforce through 2025, meaning that in order to meet employers’ demand for an increasingly skilled workforce; Indiana must concentrate on policy solutions for adults who are already part of our labor pool.<sup>9</sup>

**Current Working Age Indiana Adults in the Current and Projected Population, 2010-2025**



Source: Calculated by National Skills Coalition using population projections from the Indiana Business Research Center.

<sup>8</sup> Indiana Commission for Higher Education: Financial Aid Activity and Program Report For Academic Year 2012-2013 [goo.gl/MZUNfd](http://goo.gl/MZUNfd)

<sup>9</sup> National Skills Coalition and the Indiana Institute for Working Families, ‘Indiana’s Forgotten Middle-Skill Jobs 2013’, September 2013. [goo.gl/eE598e](http://goo.gl/eE598e)

Indiana cannot afford to neglect adults if it hopes to meet completion goals laid out in both the ‘Reaching Higher, Achieving More’ and the Career Council’s Strategic Plan. Because work, family, and financial obligations will remain a constant for adult students, the state must account for each of these challenges when planning guided pathways for completion in the new Adult Learners Grant. Indiana must coordinate across state agencies to combine services that provide access to enrollment, guidance through course and degree selection, and financial aid that supports persistence and completion.

Solutions for college completion for adults must take into account more than just financial aid, and must deal realistically with the needs of work and families. While some advocates for completion have stated that “part-time students rarely graduate”, this assertion doesn’t control for the level of financial support given to students.<sup>10</sup> Indiana needs to provide a reality check about what it takes to be full-time students: it won’t happen unless their family income is subsidized by financial aid. Unless the state can make that commitment, it must provide workable alternative routes to completion through part-time study.

Indiana’s aid for part-time students has not kept up with the rising cost of education and the declining wages of Hoosier families. According to the Commission for Higher Education, in 2012-13 only 2.8 percent of the state’s financial aid funding was made available to part-time students through Indiana’s Part-Time Grant.<sup>11</sup> Furthermore, as of the most recent calculation in 2008-09, only 2.2 percent of Indiana’s part-time students attended with the Part-Time Grant, meaning that 97.8 percent attended without any form of state financial aid.<sup>12</sup> While college tuition continues to rise by double-digit percentages nearly every year, Indiana’s median hourly wage actually declined from \$16.18 in 2000 to \$15.84 in 2013, and the median household income fell from \$55,182 in 2000 to \$47,529 in 2013.<sup>13</sup> The result is that the average working student’s earnings come up shorter when paying for both education and family expenses. The total cost of post-secondary education, including child care, transportation, and decreased wages from cutting back hours to attend classes, is greater than tuition and fees, especially for adult students.<sup>14</sup>

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<sup>10</sup> Complete College America, Time Is The Enemy [goo.gl/E8WALb](http://goo.gl/E8WALb)

<sup>11</sup> Indiana Commission for Higher Education: Financial Aid Activity and Program Report For Academic Year 2012-2013 [goo.gl/72Pg22](http://goo.gl/72Pg22)

<sup>12</sup> Indiana Institute for Working Families, Part-Time Student Fact Sheet, 2012 [goo.gl/ZHzaoT](http://goo.gl/ZHzaoT)

<sup>13</sup> Indiana Institute for Working Families, The Status of Working Families in Indiana: 2015 Report [goo.gl/4jYSCH](http://goo.gl/4jYSCH)

<sup>14</sup> Indiana Institute for Working Families, Investing in Workers: Indiana’s Adult Increasing Financial Aid Opportunities, June 2009 [goo.gl/u9glEq](http://goo.gl/u9glEq)

For Indiana to see substantial improvement to its rate of adult attainment, the state must help students succeed given their needs: lost income from employment, care for their children, and overcoming barriers to access and completion. The Indiana Institute for Working Families asks the state, through the leadership of the Office of the Governor and through the Indiana Career Council and the Commission for Higher Education, to implement the following recommendations as necessary supplements to the proposed Adult Learners Grant:

**Recommendations to the Indiana Career Council to align supportive services for adult learners:**

**Indiana must have an integrated mechanism for the funding and delivery of supportive services**

Because the barriers to education and skills training go beyond the need for financial aid, Indiana likewise needs leadership at the highest levels to go beyond providing aid to align supportive services in a comprehensive way to ensure opportunities for completion. We propose that the Indiana Career Council take responsibility for the needed systems alignment to coordinate available state and federal resources and tailor them to the specific needs of adult learners. As the proposed Adult Learners Grant includes provisions for the Career Council to identify and award funds for students studying in priority economic sectors, so too should the Council work to ensure that any potential resources and services be aligned to ensure that adults can complete their degrees and credentials.

In addition to aligning state efforts, the Career Council should ensure that Indiana's adults get the most from opportunities to braid federal resources. Specifically, the Council should work with state agencies to see that potential funding streams from Supplemental Nutrition Assistance Program (SNAP) Education & Training, Temporary Assistance to Needy Families (TANF) Maintenance of Effort (MOE) funds, and the Workforce Innovation and Opportunity Act of 2014 (WIOA) are utilized for the benefit of Hoosier adults. This braiding can be performance-based at the state level, thereby incentivizing persistence and completion. While most college students are typically ineligible for these benefit programs, there are many exceptions for which most (if not all) of our low-income student population could qualify.

When transforming how Indiana delivers supportive services to adult learners, the state can build a unique program to honor the Indiana way of doing what's right for our families and our economy. It will be critical to keep families' needs front and center, while using proven methods to match opportunities for upskilling with the needs of our workforce and our economy. There are many effective programs delivering

supportive services through braided funding streams that can be drawn on for inspiration as Indiana develops its own supplemental program for adult students. Several successful examples include:

- **The Parents as Scholars programs of Maine<sup>15</sup> and Oregon<sup>16</sup>** target low-income parents who are TANF recipients and attend two- or four-year college programs. The program uses TANF Maintenance of Effort (MOE) funds to cover living stipends, housing, transportation, and support services while college financial aid covers tuition and books, permitting students to potentially receive aid from both sources. Program eligibility is limited to parents who meet TANF eligibility guidelines. In Maine's program as of 2006, **forty-four percent of Parents as Scholars participants earned a bachelor's degree**. The program also had a direct economic impact: in a study of 1999 Maine participants, **Parents as Scholars students made two dollars more per hour than other TANF recipients**.<sup>17</sup> This is an astounding completion rate and wage increase for a very at-risk population, and proves that funding supportive services works when program design matches state needs. Through careful program design and record keeping, Indiana's Adult Learners service program needn't to be limited to TANF participants, but can also draw on flexible funding streams from TANF MOE dollars, SNAP Education & Training (E&T) 50-50 funds, as well as WIOA training funds.
- **Kentucky's Ready-to Work program<sup>18</sup>** for TANF participants and Washington State's Basic Food Employment and Training Program<sup>19</sup> for SNAP participants provide more examples of how Indiana can utilize federal resources to tailor program design that meets state-specific needs. In order to strengthen the accountability of students and to promote persistence, Indiana's supportive services program could also have a performance-based funding mechanism for students. Again, the state can benefit from the experience of other states when crafting a model tailored to provide the outcomes for Indiana's specific needs:

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<sup>15</sup> Maine Equal Justice Partners, Parents as Scholars [goo.gl/f76M16](http://goo.gl/f76M16)

<sup>16</sup> Oregon Department of Human Services, Parents as Scholars [goo.gl/KLlg17](http://goo.gl/KLlg17)

<sup>17</sup> Center for Law and Social Policy, Maine's Parents as Scholars Program [goo.gl/XlgZV8](http://goo.gl/XlgZV8)

<sup>18</sup> Kentucky Community & Technical College System, Ready to Work: Assistance for Low-Income Parents

[goo.gl/v7esKo](http://goo.gl/v7esKo)

<sup>19</sup> Washington State Basic Food Employment and Training [goo.gl/VYtyNx](http://goo.gl/VYtyNx)

- **Louisiana Opening Doors program**<sup>20</sup>, the archetypal performance-based award, *Opening Doors* provided financial assistance through the use of surplus TANF dollars to help students with expenses that traditional forms of financial aid normally do not cover while providing a monetary incentive for students to perform well in school. Students who were enrolled at least part-time and earned at least a 2.0 grade point average were awarded a \$1,000 scholarship for each of the two semesters they fulfilled these requirements. The scholarship money was given in increments, \$250 after enrollment, \$250 after mid-terms, and \$500 after the end of the semester when students passed their courses with the required GPA. The Opening Doors scholarships were given in addition to Pell Grants and other forms of financial assistance students received. The \$1,000 scholarship was to be used to meet any of the student's unmet financial needs.<sup>21</sup>
- **Ohio's performance-based program** also targeted parents receiving TANF, with benchmarks for part-time students taking 6-11 credits with a "C" or better. A study found the program reduced student debt by an average \$334 and increased the proportion of students earning a degree or certificate by a statistically significant margin of 3.6 percentage points.<sup>22</sup>

### Recommendations to the Commission for Higher Education for Implementing the Adult Learners Grant:

Indiana's proposed Adult Learner's Grant makes several key improvements by transforming the former Part-Time Grant into aid focused solely on independent students. Importantly, the new grant reserves 50 percent of its funds to serve as 'graduation grants' for students working towards degrees and credentials in high-impact economic sectors as determined by the state, thus requiring collaboration and inter-agency alignment. However, there are several steps the Commission should take on its own in order to make the implementation of the new grant as effective in ensuring completion as possible, including:

- **Need-based prioritization of the Adult Learners Grant** Making sure the neediest students get the awards first is essential to promoting higher education access and completion for our most vulnerable citizens. Because the Commission has found that financial need is equivalent both for

<sup>20</sup> MDRC, Opening Doors Project Overview [goo.gl/t3VyRi](http://goo.gl/t3VyRi)

<sup>21</sup> Indiana Institute for Working Families, Investing in Workers: Indiana's Adult Increasing Financial Aid Opportunities, June 2009 [goo.gl/u9glEq](http://goo.gl/u9glEq)

<sup>22</sup> MDRC, Paying It Forward: A Technical Assistance Guide for Developing and Implementing Performance-Based Scholarships [goo.gl/UMmLPs](http://goo.gl/UMmLPs)



exclusively part-time and ‘switcher’ populations, the new Adult Learners Grant should use a systematic prioritization to distribute aid, to avoid excluding working and parent students. Additionally, Indiana will help pave the way for greater systems alignment by being intentional about ensuring that students eligible for Temporary Assistance to Needy Families (TANF) and Supplemental Nutrition Assistance Program (SNAP) participants have access to the grant. In addition to limiting the proposed Adult Learners Grant to independent students, a sample prioritization would include:

- Financial Need (making sure to include TANF and SNAP Participants);
  - With dependent;
  - By application date;
  - Begin with independent students with dependents and with greatest need and earliest application date and award a proportionate amount relative to enrollment level; and
  - Proceed in this manner until funds are depleted. Because working adults make up a large percentage of the state’s post-secondary population, and because their completion is essential to Indiana’s economic success, the Adult Learners Grant should be fully utilized each year.
- **Ensure guided paths to completion through structured part-time programs** In their recent report on part-time students, the Commission recommended creating academic structures that support “more structured part-time enrollment and enable students to complete a minimum of 18 credits per year”<sup>23</sup>. The report provided an example of the collaboration between Subaru of Indiana and Purdue to allow Subaru employees to attend courses part-time while working and earn credentials that result in value to the company and career advancement and wages for the employees. Following this example, “structured part-time” programs should be defined to include guided pathways that lead to high-wage, high-demand careers. Each of Indiana’s post-secondary institutions should offer multiple structured part-time programs in fields leading to high-wage occupations.

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<sup>23</sup> Indiana Commission for Higher Education, *Indiana Part-Time College Students 2014 Study: A study of the economic and academic needs of Indiana’s part-time student population* [goo.gl/ZgTE5j](http://goo.gl/ZgTE5j)

To ensure that these structured part-time programs lead to completion, Indiana should incorporate Guided Pathways to Success (GPS) strategies and resources to provide supportive services for students enrolled in these programs. In order to realize the gains that GPS promises, academic strategies such as meta majors, academic maps, critical path courses, and intrusive advising must be included in the part-time programs many adults need to complete. The Commission's role should be to incorporate these academic strategies with the recommended supportive student services, specifically the including Parents as Scholars, Opening Doors, and the Ready-to-Work models mentioned above.

- **The “80% Rule” should be replaced with service requirements for Adult Learners** The current policy of an “80% Rule” means that the state only provides 80 percent of the recommended financial aid award for students with an expected family contribution of \$0. This means that students in the greatest financial need category forgo 20 percent of their award in the name of providing ‘skin in the game’, when there is by definition no skin left to give without losing the ability to cover basic expenses. Because students who have an expected family contribution (EFC) will have that EFC subtracted from their award, a greater contribution should not be necessary. Students with an EFC of zero dollars do not have the means to contribute more to their education. This practice only decreases persistence and completion, thus undercutting the most vulnerable population with an unsustainable extraction of an additional contribution. Instead, if the state wants to ensure commitment and buy-in from students, they could instead require participation in academic counseling and supportive service programs, such as those recommended to the Career Council above.
- **The Commission should set fall and spring award dates and publish the formula for awarding grants** Students need to know what they can expect from SFA if they are to commit themselves to higher education. To this end, the new Adult Learners Grant needs a predictable award date and a transparent formula so that students reliably know what they are getting and when to expect it. Publicizing the dates and publishing the formula would give students, institutions, and service providers needed information and transparency about state policy, and would provide an additional opportunity for the Commission to communicate expectations for completion.
- **The Commission should open up EARN Indiana to part-time students** Part-time students are in no less need of experiential learning than are their full-time counterparts. They have

demonstrated that they plan to work while attending higher education and helping that work be more targeted toward a degree path should help with both persistence and completion. Additionally, “receiving any work-study funds” is a qualifying exception for SNAP participants to allow them to pursue higher education and continue receiving their SNAP benefits.

### **Next steps**

- Assuming the proposed Indiana Adult Learners Grant is passed, staffing and communications plans should be incorporated into the program, both for the need-based grant and priority-sector graduation grant components, as well as the supportive services mechanism. These plans should consider administrative needs at the Career Council, Commission, and institution levels.
- The state should continue to study and report on the needs, progress and completion of its adult and part-time population. The Commission should continue to study the specific numbers of this population, and the barriers to success that adult and part-time learners face, seeking a firm knowledge of the students who face specific and multiple obstacles. The Office of the Governor and the Career Council should continue to seek systems alignment in order to maximize the effectiveness of all available resources.

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