



INDIANA COMMISSION *for*
HIGHER EDUCATION

**Reforming Student Financial Aid to
Increase College Completion**

**Second Year Results from
Indiana House Enrolled Act 1348**

March 23, 2016



In 2013, the Indiana General Assembly enacted legislation aimed at encouraging more students to graduate from college on time. The law creates incentives for students to increase the number of credits they take each semester to keep them on pace to graduate within the four years that they can receive aid. To keep financial aid at the maximum amount, students must complete 30 credits by the end of their freshman year and in future years.

Results from Year One

The first cohort subject to the reforms entered college as freshmen in AY 2013-14. The Commission reviewed year-one results and compared them to results from the previous academic year before these new credit completion requirements took effect.

The results were encouraging, especially for students with financial need. Indiana's 21st Century Scholar students forfeit their scholarship eligibility if they fail to earn 30 credits in an academic year. Just one year after credit completion requirements were implemented, the percent of 21st Century Scholars enrolling in 30 credits increased by 21.6 percentage points, with a 12.5 percentage-point increase in those completing 30 credits. Students eligible for Indiana's need-based Frank O'Bannon Grant receive discounted awards if they fail to meet the 30-credit-hour benchmark. One year results for this group were less dramatic but also commendable, with approximately 6 percentage point improvements in both enrollment and completion. A full analysis of the early impact of the 2013 reforms can be found at www.in.gov/che/files/2015_Indiana_Financial_Aid_Reform_13015_Pages.pdf.

Analyzing Year Two

The Commission continues to monitor the performance of financial aid recipients to track and report trends resulting from Indiana's financial aid reforms. With a second year of credit completion data, the Commission has enhanced the analysis by:

- Incorporating the first full year of summer session data and pre-college credit
- Separating the results for four-year and two-year institutions
- Examining sophomore performance of the first affected cohort

The Commission sought to answer the following questions:

1. Did students in the first affected cohort continue to outperform past recipients as they progressed through their sophomore year?
2. Did the second affected cohort match the gains of the first?
3. Are students relying on summer courses and pre-college credit to meet their completion benchmarks?
4. Do the results differ between two-year and four-year institutions?

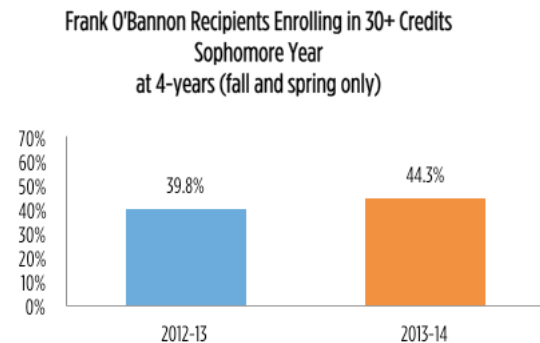
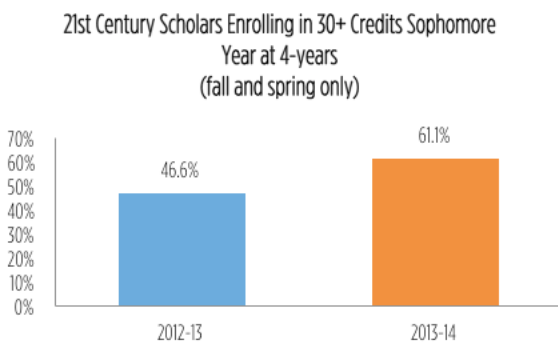


QUESTION #1: Did students in the first affected cohort continue to outperform past recipients as they progressed through their sophomore year?

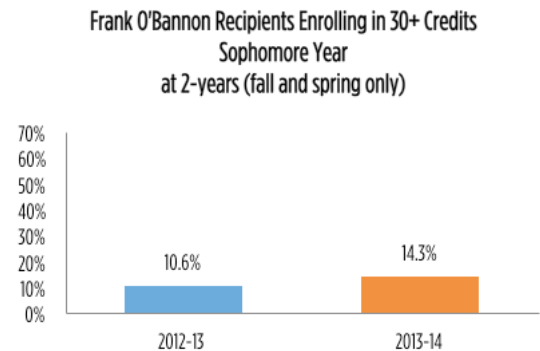
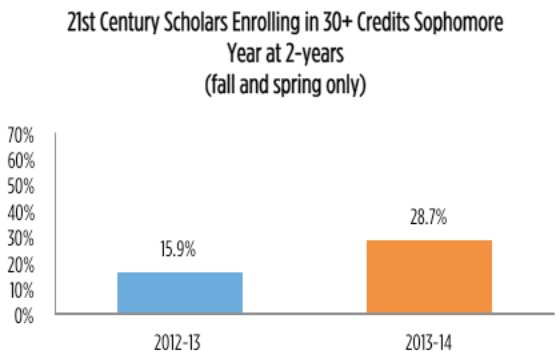
Yes. Cohort One students (who entered college in AY 2013-14) continue to take 30+ credits in the fall and spring of their sophomore year at higher rates when compared to their peers not subject to the reforms. This is true at both the four-year and two-year institutions.

Chart 1-4: Percentage of Students Enrolling in 30+ Credits Sophomore Year (fall and spring only)

Four-Year Institutions



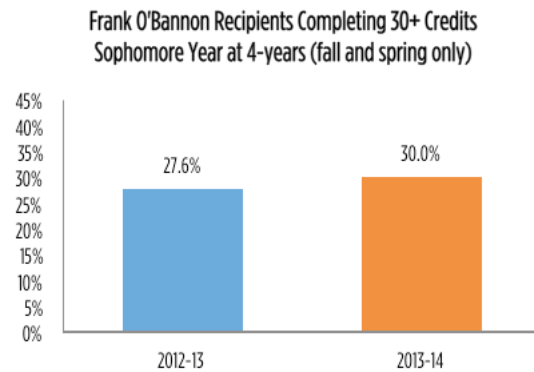
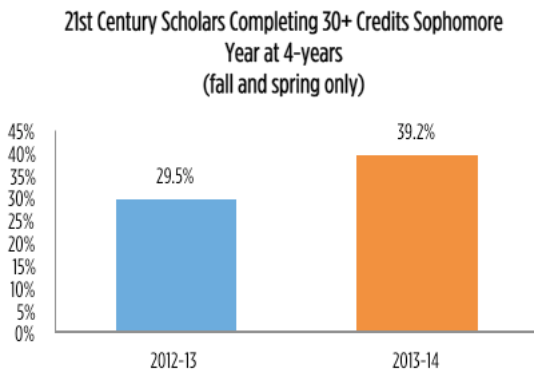
Two-Year Institutions



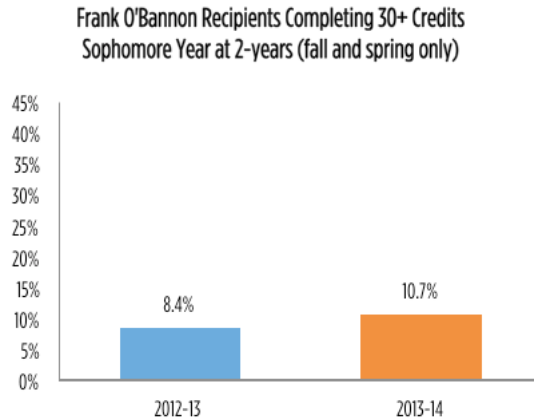
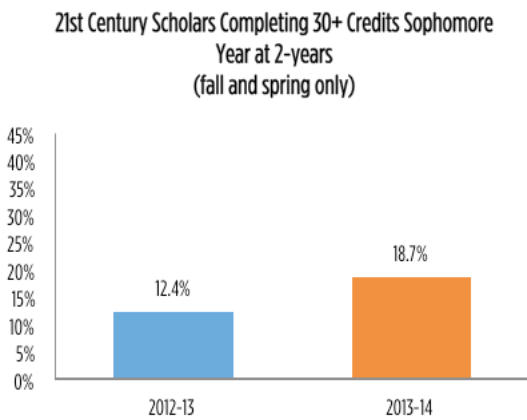


Charts 5-8: Percentage of Students Completing 30+ Credits Sophomore Year (fall and spring only)

Four-Year Institutions



Two-Year Institutions



What else have we learned?

- The increase in taking and completing 30 credits within the 21st Century Scholars population continues to exceed the Frank O'Bannon response.
- In the latest cohort, sophomores at four-year institutions tend to take and complete fewer credits than in their freshman year. However, this is slightly less likely to be the case for financial aid recipients, particularly regarding credit completion.

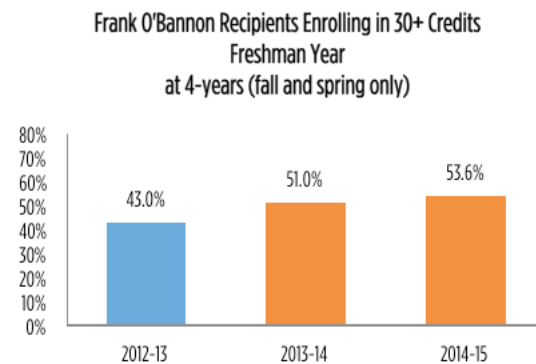
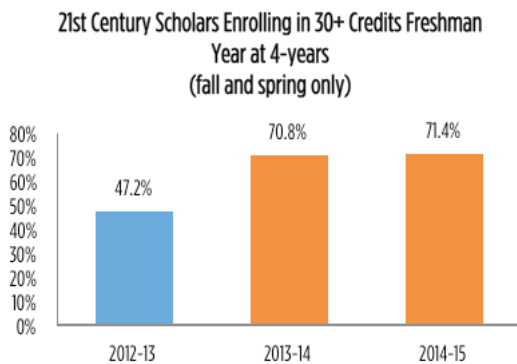


QUESTION #2: Did the second affected cohort match the gains of the first?

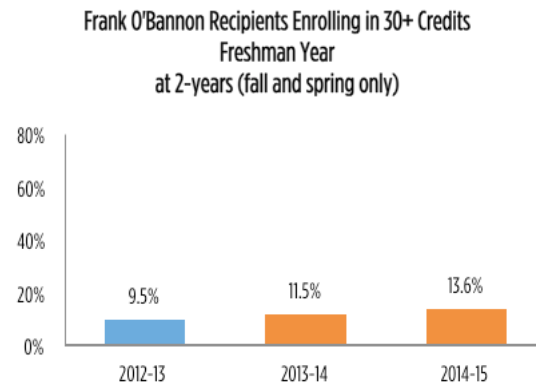
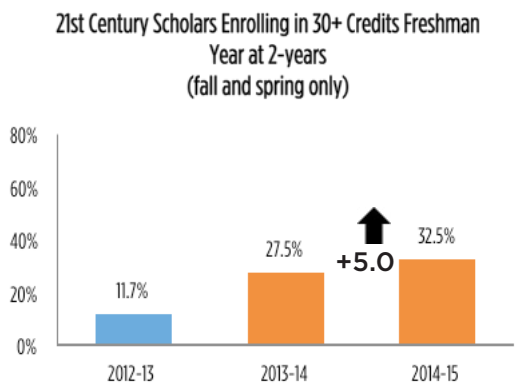
Yes. Significantly more students are taking and completing 30 credits in fall and spring than before the reforms, with modest improvement in Cohort Two. This is true at both the four-year and two-year institutions.

Charts 9-12: Percentage of Students Enrolling in 30+ Credits Freshman Year (fall and spring only)

Four-Year Institutions



Two-Year Institutions



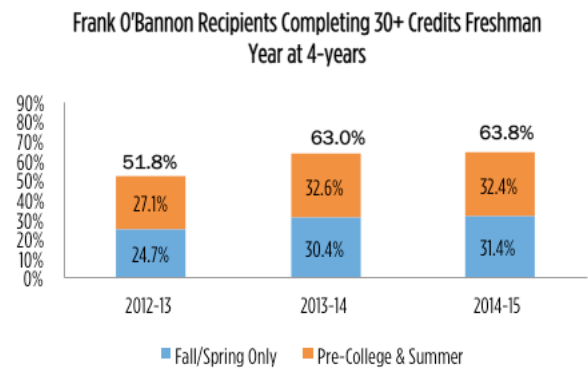
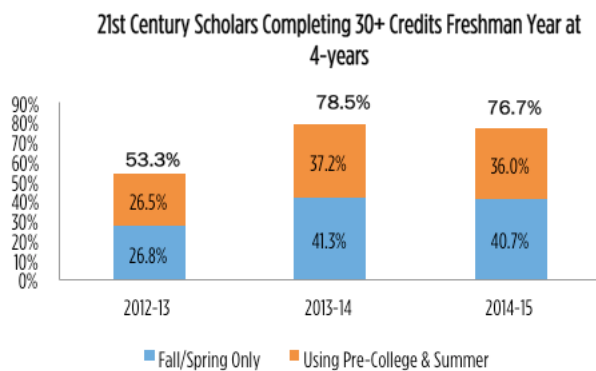


QUESTION #3: Are students relying on summer courses and pre-college credit to meet their completion benchmarks?

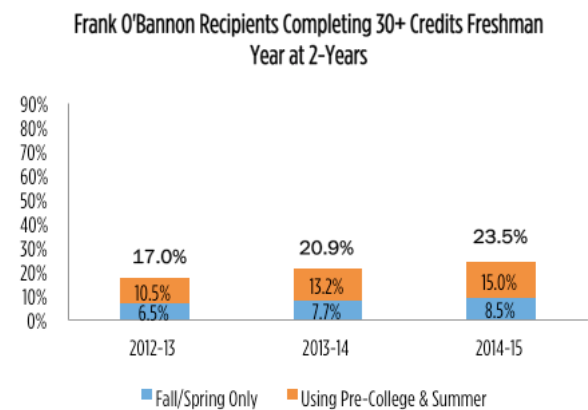
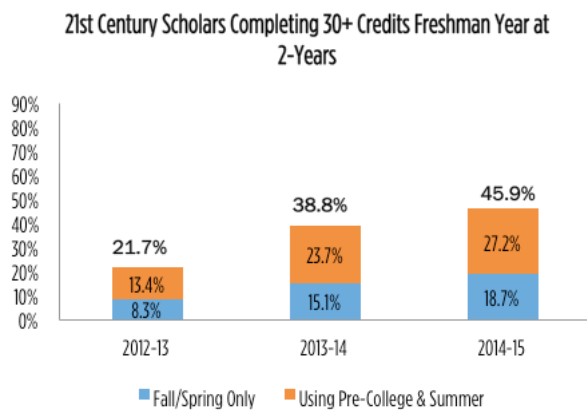
Yes. Incorporating summer and pre-college credit roughly doubles the success rates of students meeting the 30 credit benchmark. This is true at both four-year and two-year institutions, with a greater impact on two-year institutions.

Charts 13-16: Percentage of Students Completing 30+ Credits by the End of Freshman Year

Four-Year Institutions



Two-Year Institutions





What else have we learned?

- **Students who enroll in 30+ credits complete a greater percentage of those credits than students who enroll in a lighter course-load. This is true at both four-year institutions and two-year institutions and holds for each of the student populations studied (first-time degree-seeking financial aid recipients and non-recipients).**
- At four-year institutions, roughly three-quarters of 21st Century Scholars and two-thirds of Frank O’Bannon recipients met the 30-credit mark and earned the top-dollar financial aid amount for their sophomore year. This is true for both the first and second cohort with only marginal change between the two.
- At two-year institutions, nearly half of 21st Century Scholars and one-quarter of Frank O’Bannon recipients met the 30-credit mark and earned the top-dollar financial aid amount for their sophomore year.
- More students in the second cohort met the 30-credit benchmark within the traditional academic year, relying less on summer courses than their peers in the first cohort. Pre-college credit, on the other hand, continued to have the same relative importance to students in the second cohort as it did in the first.
- At two-year institutions, cohort two not only matched but made marked improvement over cohort one. 21st Century Scholars in cohort two showed a 7.1 percentage point increase over cohort one, while the increase in Frank O’Bannon was an also-impressive 2.6 percentage points.

QUESTION #4: Do the results differ between two-year and four-year institutions?

Yes, but not in the way one might expect. Students at both four-year and two-year campuses demonstrated significant gains in students meeting the 30-credit-hour benchmark, but the improvement was greater in the two-year sector.

Students attending both institution types completed significantly more credits than previous aid recipients. The percentage point increases were roughly the same for 21st Century Scholars, regardless of the institution type, while Frank O’Bannon recipients’ response at four-year institutions was twice as strong as that at two-year institutions.

However, examining the improvement relative to where each institution type started, 21st Century Scholars at Indiana’s two-year institutions were more than twice as likely to successfully complete 30 credits than their peers unaffected by the credit completion requirements--and Scholars from four-year insti-

tutions were 44 percent more likely to do so. Frank O’Bannon recipients were 38 percent more likely to meet the benchmark at two-year institutions and 23 percent more likely at four-year institutions.

The number of 21st Century Scholars completing 30 credits more than doubled at Indiana’s community colleges.

These gains within the two-year sector are even more remarkable when considering that all two-year students pay more tuition when they take more courses, while many of their four-year counterparts pay the same tuition to take 30 credits as

they would to take 24. This is because many of Indiana’s four-year institutions have banded tuition policies that charge students the same amount for taking 15 or more credits as they would for 12 credits.



Reflections on Year Two Results

The aggregate numbers indicate that overall, the policy continues to achieve the intended results—more students taking and completing enough credits to graduate on-time.

Further investigation will be necessary to identify whether the impact of the policy varies by geographic region, campus type, student preparedness level or demographics.



Data Definitions

Cohorts: Represent students who in a given academic year (2012-13 to 2014-15):

1. Were reported as Indiana residents and first-time degree-seeking (bachelor’s or associate) students in the fall semester at an Indiana public college or university
2. Stayed enrolled to the spring semester of the same academic year, at the same campus, seeking the same degree level (bachelor’s or associate), and
3. Enrolled as a full-time student (12+ credits) as of institutional census date in at least one semester (fall or spring).

21st Century Scholars (21C): Students reported as receiving a Scholar grant in their freshman year.

Frank O’Bannon (FOB): Students reported as receiving an FOB grant their freshman year, excluding 21C students (FOB recipient status sourced from the CHE Grants Reporting and Delivery System (GRADS))

Pell: Students reported as receiving a Pell grant in their freshman year who did not also receive a Scholar or FOB grant during their freshman year

All Other Students: Indiana resident students not falling into the socioeconomic or financial aid status groups above

2-year Student Population	2012-13	2013-14	2014-15	4-year Student Population	2012-13	2013-14	2014-15
21st Century Scholars	869	1,100	1,128	21st Century Scholars	2,785	3,430	3,949
Frank O’Bannon	1,486	1,486	1,134	Frank O’Bannon	3,489	3,386	3,003
Pell	2,704	2,240	2,310	Pell	1,706	1,586	1,516
All Other Students	2,324	2,362	2,360	All Other Students	12,565	12,560	12,322

Credits enrolled in and earned: Represent institution credits for fall and spring semesters combined (enrolled as of institutional census date, earned as of end of term)

Credits pre-college: Estimated by subtracting institution credits earned from cumulative credits earned for the fall semester of a student’s freshman year. Pre-college credits include dual credit and AP, CLEP and other credits earned by student while in high school and accepted by the institution

Credits transferred: Estimated by subtracting total institution credits earned for fall and spring semesters combined, along with any estimated pre-college credit, from total cumulative credits earned (academic career) for the spring semester of a student’s freshman year

***Percentage Point Increase** measures the increase in the completion rate between 2012-13 and 2014-15. The metric is computed by subtracting the 2012-13 completion rate from the 2014-15 completion rate.

***Relative Improvement** measures the increased likelihood of completing thirty or more credits for the 2014-15 cohort (cohort two) versus the 2012-13 cohort (pre-reform). The metric is calculated as the ratio of the 2014-15 completion rate to the 2012-13 completion rate.



INDIANA COMMISSION *for*
HIGHER EDUCATION