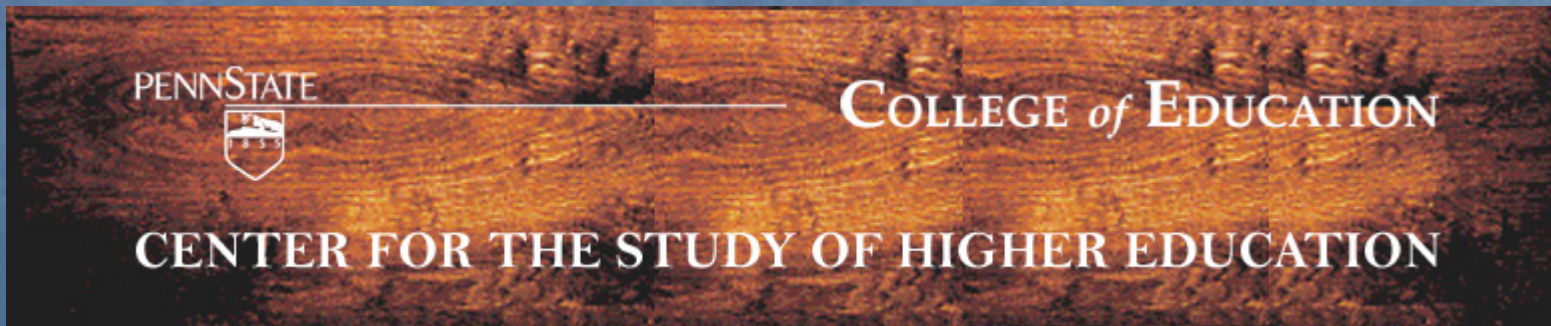


The Civil Rights Project at Harvard
The Nellie Mae Foundation
The Rennie Center at MassINC
October 14, 2004
Boston, MA

State Merit Scholarship Programs and Racial Inequality

Donald E. Heller



State merit scholarship programs in the United States

- Merit aid nationally has increased from less than 10% of all state aid in 1992 to 27% in 2002
- 14 states have broad-based merit aid programs, with Massachusetts the most recent
- In 2002-2003, the 12 states with existing programs spent \$1.2 billion on merit aid, and \$349 million on need-based aid
- 2002 CRP report found that these programs have done little to promote college access for poor and minority students

The John and Abigail Adams Scholarship Program in Massachusetts

- Proposed by Governor Romney in his State of the State Address in January
- To be awarded to top 25% scorers on the 10th grade MCAS English and math tests
- Provides full-tuition scholarship to any public institution in Massachusetts (but *not* fees)
- Governor's proposal included a \$2,000 bonus for students scoring in the top 10% on MCAS
- Students must maintain 3.0 GPA in college to retain scholarship (3.3 for \$2,000 bonus)
- Expected to cost \$50 million annually when fully implemented in year four (2008)
- Board of Higher Education approved tuition scholarship at June meeting, set to finalize criteria next week

Measuring Up 2004

The State Report Card on Higher Education

- Graded all 50 states in five areas related to higher education: preparation, participation, affordability, completion, and benefits
- Massachusetts received an "A" in all areas except affordability, where it received an "F"
- Findings and questions from the report for Massachusetts
 - "Over the past decade, the gap in college participation between whites and minority ethnic groups has widened.
 - Can the state use financial aid programs more effectively to meet the needs of students from low-income families?
 - Can the state close the gaps in preparation and college enrollment between whites and minority ethnic students, and between high- and low-income students?"

Analysis of Governor Romney's proposal

- Data from 2002 10th grade class taking MCAS for the first time (most recent data available from DOE)
- Approximately 69,000 students in 317 districts and 393 public schools in Commonwealth (including charter, alternative schools, etc.)
- Three different methods for calculating "top 25% of scorers"

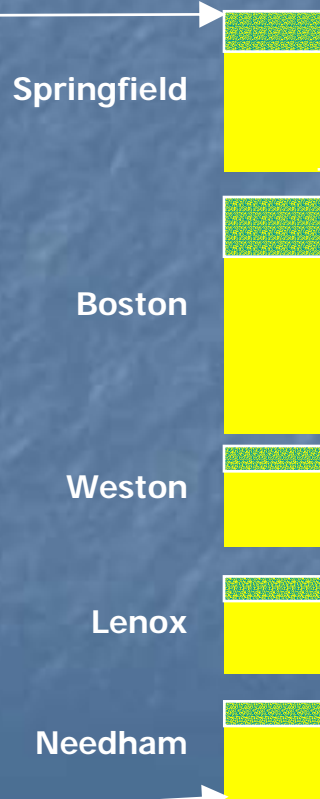
Alternatives for ranking top 25% scorers on MCAS



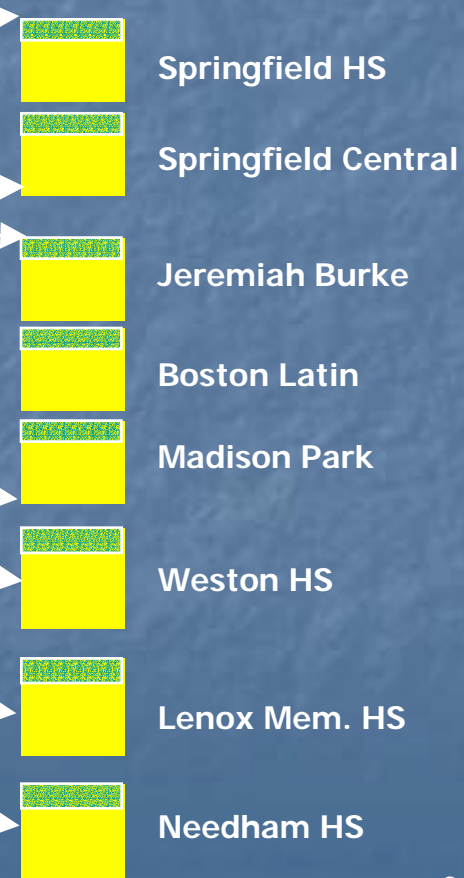
Statewide



Districts



Schools



Top 25% scorers – by race

	<u>Statewide</u>	<u>District</u>	<u>School</u>
Asian	34.2%	35.7%	31.8%
African American	5.0	11.3	15.4
Hispanic	4.3	11.2	14.2
Native American	9.8	14.2	14.8
White	28.2	28.0	27.6

Top 25% scorers – by district median income

	<u>Statewide</u>	<u>District</u>	<u>School</u>
Bottom (<\$45,309)	9.9%	22.6%	23.3%
Second (\$45,505 - \$59,088)	18.6	24.5	24.7
Middle (\$59,112 - \$66,486)	22.3	25.0	25.1
Fourth (\$66,553 - \$82,190)	31.6	25.8	25.8
Top (\$82,676 - \$181,041)	50.1	26.3	26.3

Top 25% scorers – other student characteristics

	<u>Statewide</u>	<u>District</u>	<u>School</u>
In free/reduced lunch program	6.6%	15.8%	17.7%
Disabled	2.9	5.0	5.5
Limited English proficiency	1.4	2.9	4.7
<u>Parental education</u>			
Not a HS graduate	5.2	13.3	15.2
HS grad	12.8	20.2	20.3
Graduated from 2-yr or tech	17.6	23.9	23.7
Bachelor's degree	35.8	33.2	32.4
Advanced degree	48.7	38.7	37.6

Top 25% scorers – by race Comparing policy alternatives

	Statewide (original proposal)	District – w/o performance level	District – at least one advanced <i>and</i> proficient
Asian	34.2%	35.7%	27.0%
African American	5.0	11.3	4.1
Hispanic	4.3	11.2	3.8
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Conclusions and recommendations from Massachusetts

- Consider implementing an income cap
 - Would allow for larger scholarships for students who truly need the assistance
- Reconsider use of the MCAS as the sole criterion for awarding scholarships
 - Using the MCAS will result in large gaps in scholarship qualification rates between racial majority and minority students, and depending upon the ranking method, between rich and poor students
- Ensure that public colleges and universities have programs in place to help students retain their scholarships once enrolled
- The focus on early notification of financial aid eligibility – during the 11th grade – is a concept that should be retained and incorporated into other state financial aid programs

Key findings from other states

- Farrell – Alaska, Florida, Kentucky, Michigan, New Mexico
 - “This study’s findings illustrate that there are inequities among merit scholarship recipients and high school graduates... The inequities impact access to higher education for minority and low-income students”
- Cornwell & Mustard – Georgia
 - “HOPE decreased full-load enrollments and increased course withdrawals among resident freshmen”

Key findings from other states

- Binder & Ganderton – New Mexico
 - “We have shown that the program was not a cost-effective way to lure minority and low-income students to UNM, since half of the beneficiaries were non-minority and 70 percent were higher-income.... The large program participation among richer and non-minority students begs the question of whether this kind of need-blind program makes sense.”
- St. John – Indiana & Washington (both states combine merit *and* means-testing)
 - “The comparison of the Indiana and Washington programs is revealing with respect to the role of early financial aid guarantees. In combination, the two cases illustrate that a targeted approach to need-based aid, linked to encouragement for academic preparation, can improve college access.”

For more information and to download reports

Nellie Mae Education Foundation: <http://www.nmefdn.org>

The Civil Rights Project: <http://www.civilrightsproject.harvard.edu>

Penn State University:
(to download slides) <http://www.personal.psu.edu/deh29>