

Impacts of State Funded Merit-Based Aid: A Case Study of West Virginia's PROMISE Scholarship

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June 04, 2011

Introduction

- Our study is focused on the outcomes achieved by the 2004 cohort of West Virginia merit scholarship applicants
- Today we are:
 - Presenting data on initial recipient and first-time renewal demographics
 - Discussing preliminary data on academic outcomes and graduation rates of initial recipients, non-recipients, four-year recipients, and recipients who lost the scholarship at some point in four years
 - Reviewing next steps on our project

The landscape of state-based merit aid

- The past decade has been witness to a sea change in the way in which scholarships are awarded to American students
 - Grant aid is now disproportionately awarded based solely on academic merit instead of financial need
- Heller (2008) identified three primary goals that states seek to accomplish via these programs:
 - Promoting college access and educational attainment
 - Retaining the highest quality students in the state
 - Encouraging and rewarding academic achievement
- The degree to which merit aid programs achieve these aims is controversial, yet they remain highly popular among taxpayers and politicians

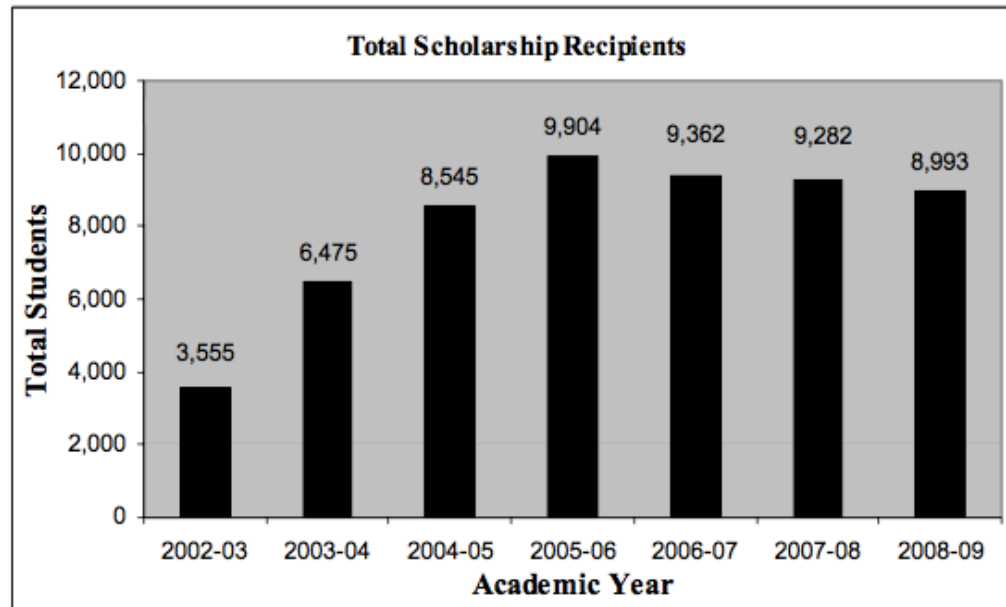
PROMISE Criteria

- PROMISE legislation was passed in 1999, and funded in 2001 by proceeds from video lottery machines
- PROMISE qualification criteria have become more selective over time. Renewal criteria have remained the same

Qualification Criteria			
Academic Year	ACT Composite	ACT Subscore	GPA
2002-2003	21	N/A	3.00
2003-2004	21	N/A	3.00
2004-2005	21	19	3.00
2005-2007	21	20	3.00
2007-2011	22	20	3.00
Renewal Criteria			
Academic Year	First Year GPA	All other GPA	Credit Hours
2002-2011	2.75	3.0	30/year

Award Amounts and Participation

- Prior to 2010, PROMISE covered full tuition and fees at public institutions in West Virginia, or an equivalent sum at a private institution within the state
- In 2010, legislators passed a cap for PROMISE that restricted award amounts to \$4,750 or the lower of tuition and fees



Data and Methods

- 2004 cohort of 7,221 PROMISE applicants

Sample Characteristics	
Category	Number
Gender	7,221
Female	3,096
Male	2,388
Unknown*	1,737
Race	7,221
White	5,170
African American	150
Hispanic	38
Asian	56
Unknown*	1,737

* Students who did not attend a public college or university in West Virginia

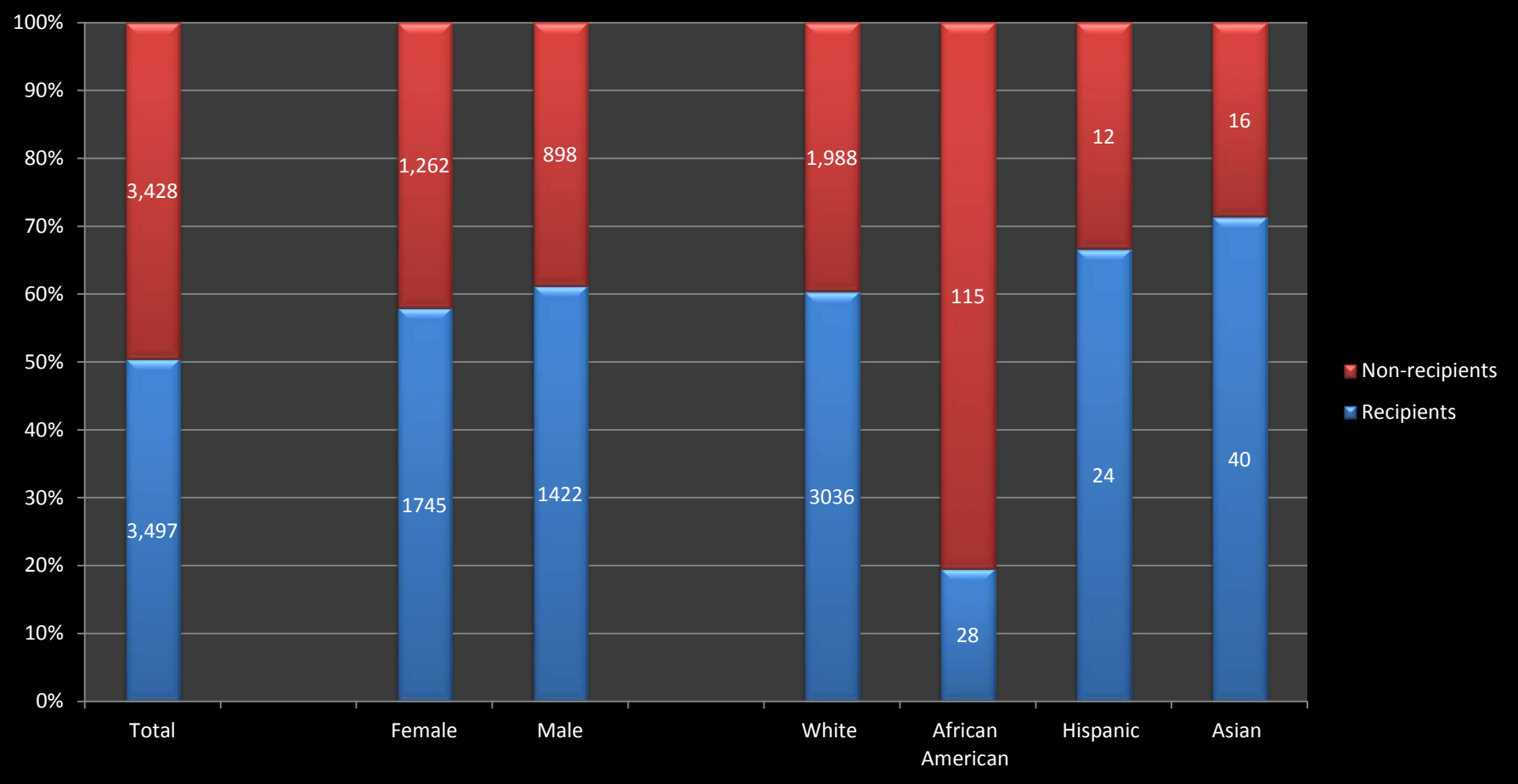
Data and Methods

- For students who attended a public institution in West Virginia:
 - 5,484 students at West Virginia public two- and four-year institutions

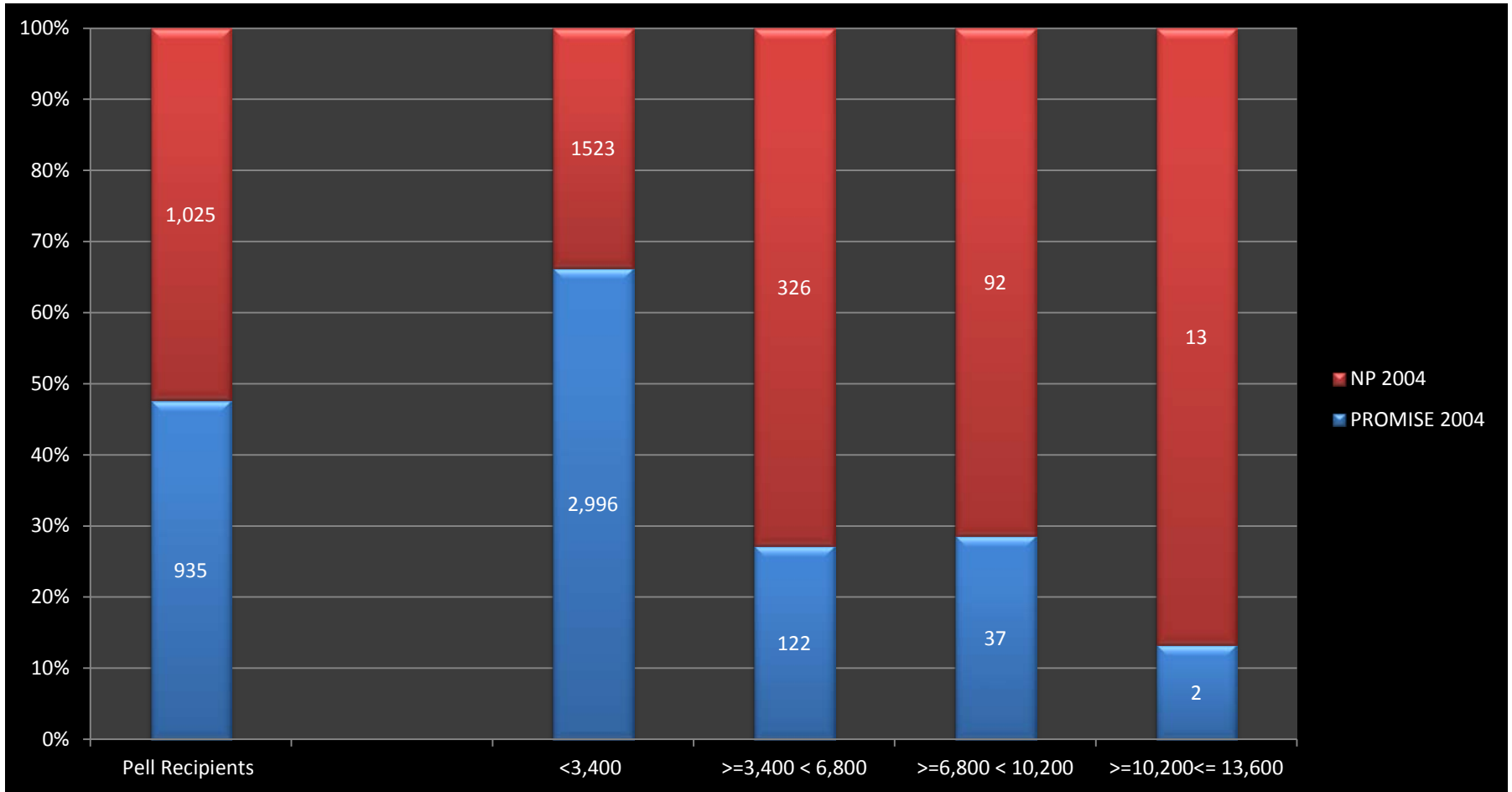
Sample Characteristics (Continued)	
Category	Number
Pell Recipients	2,006
Unmet Need Quartiles	7,221
<3,400	4,450
$\geq 3,400 < 6,800$	581
$\geq 6,800 < 10,200$	139
$\geq 10,200 \leq 13,600$	15
Unknown*	2,036

* Student did not file a FAFSA or otherwise did not have data listed in this field

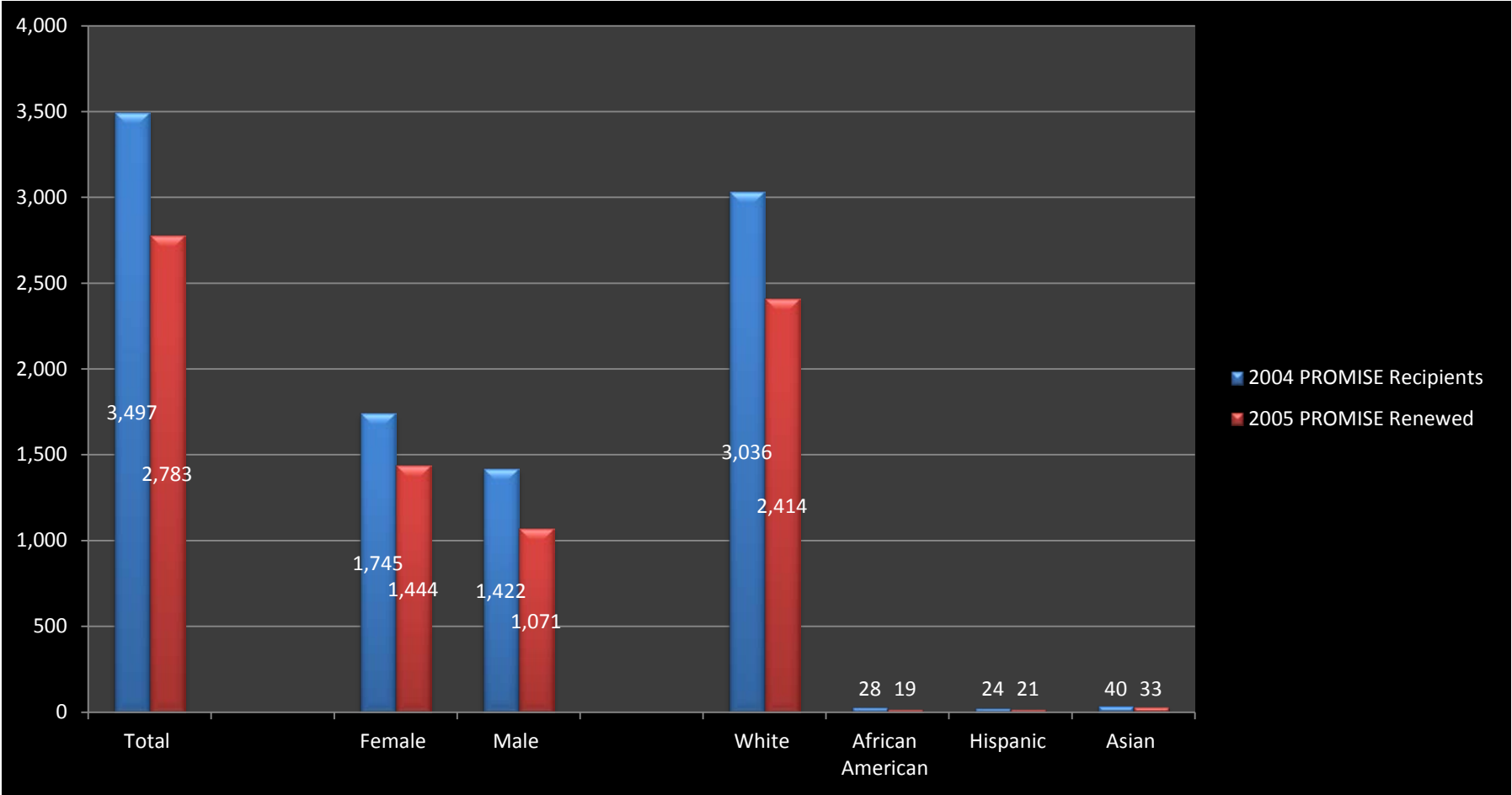
2004 PROMISE Applicant Outcomes



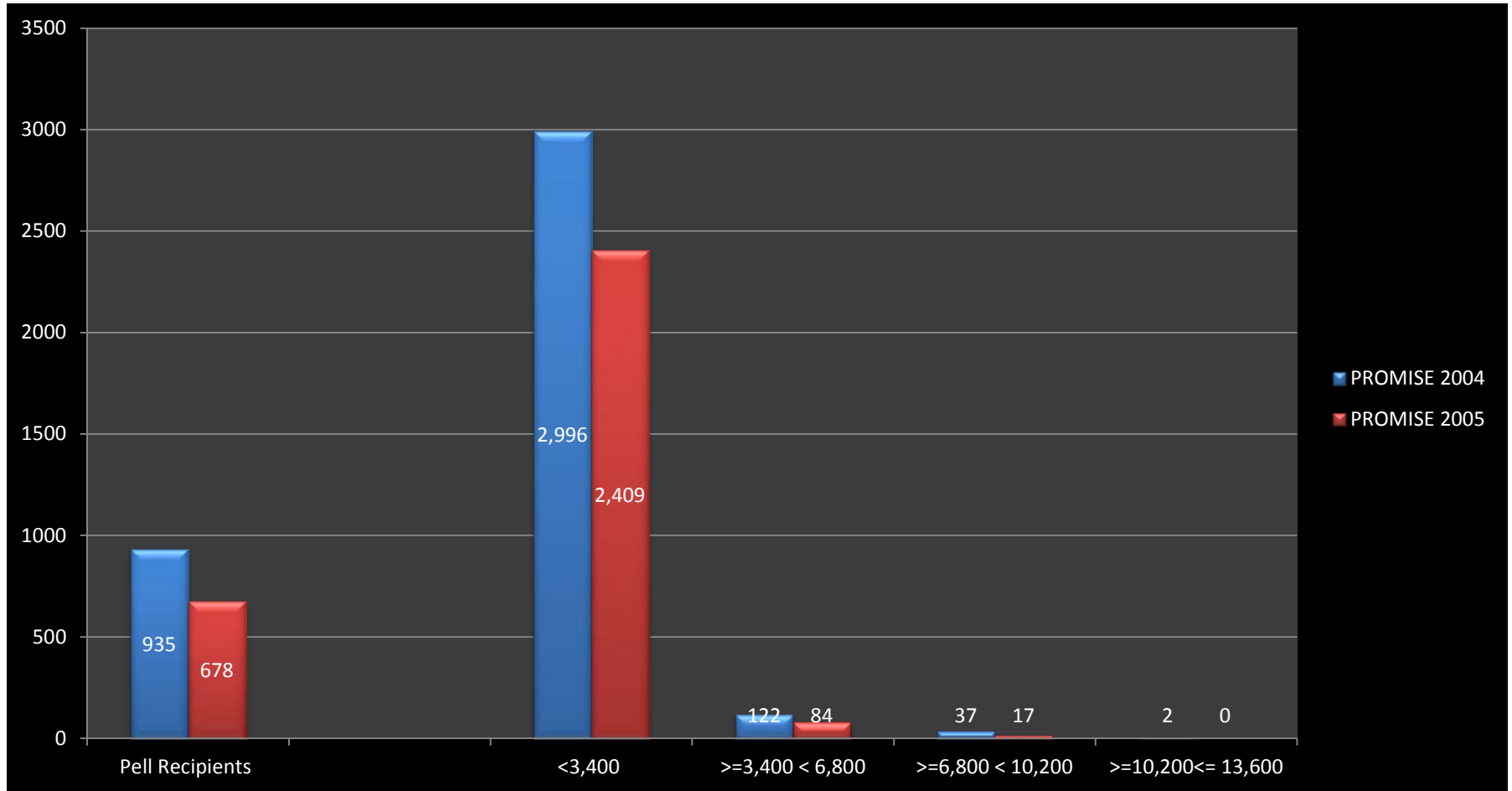
2004 Promise Student Need Demographics



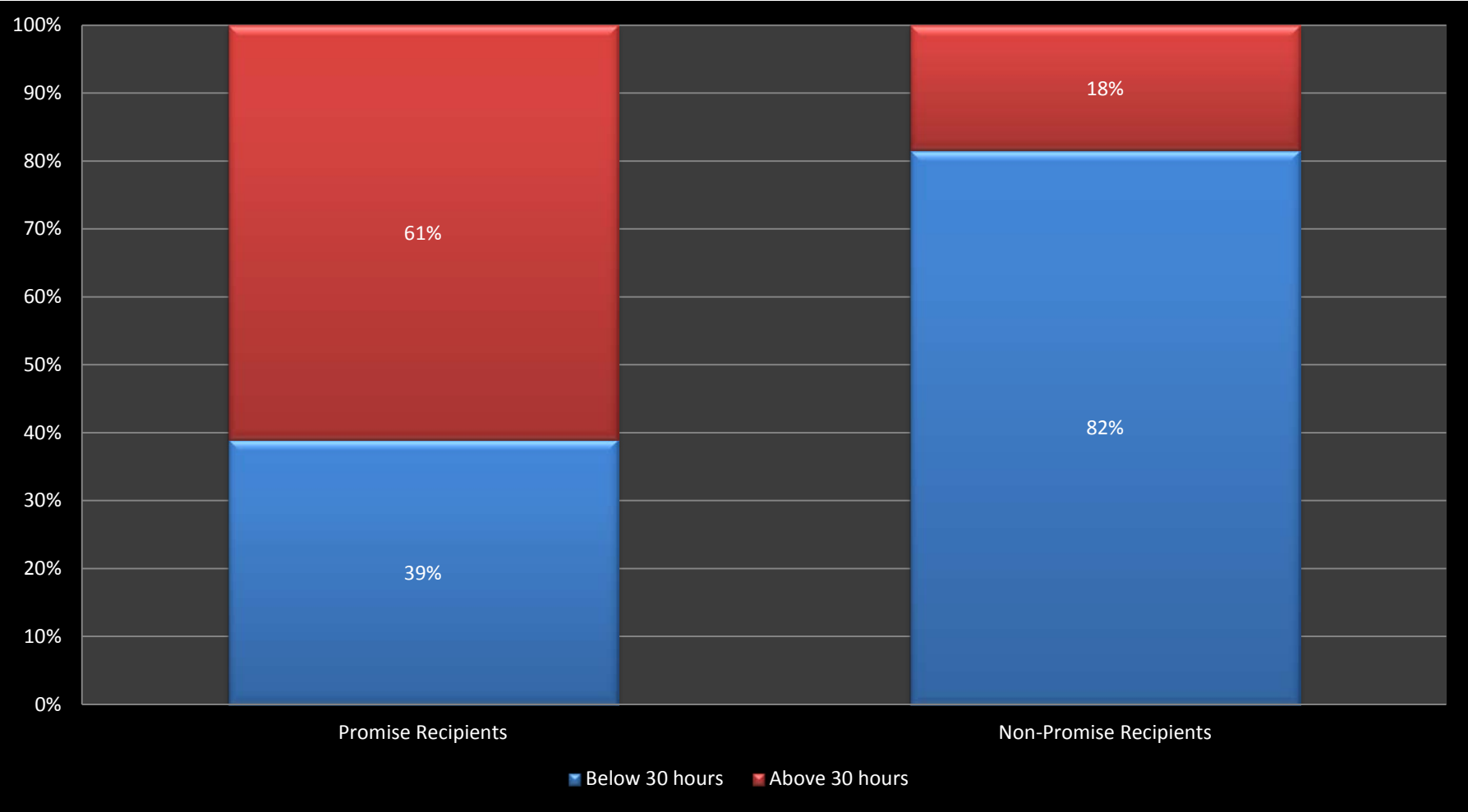
2005 PROMISE Applicant Outcomes



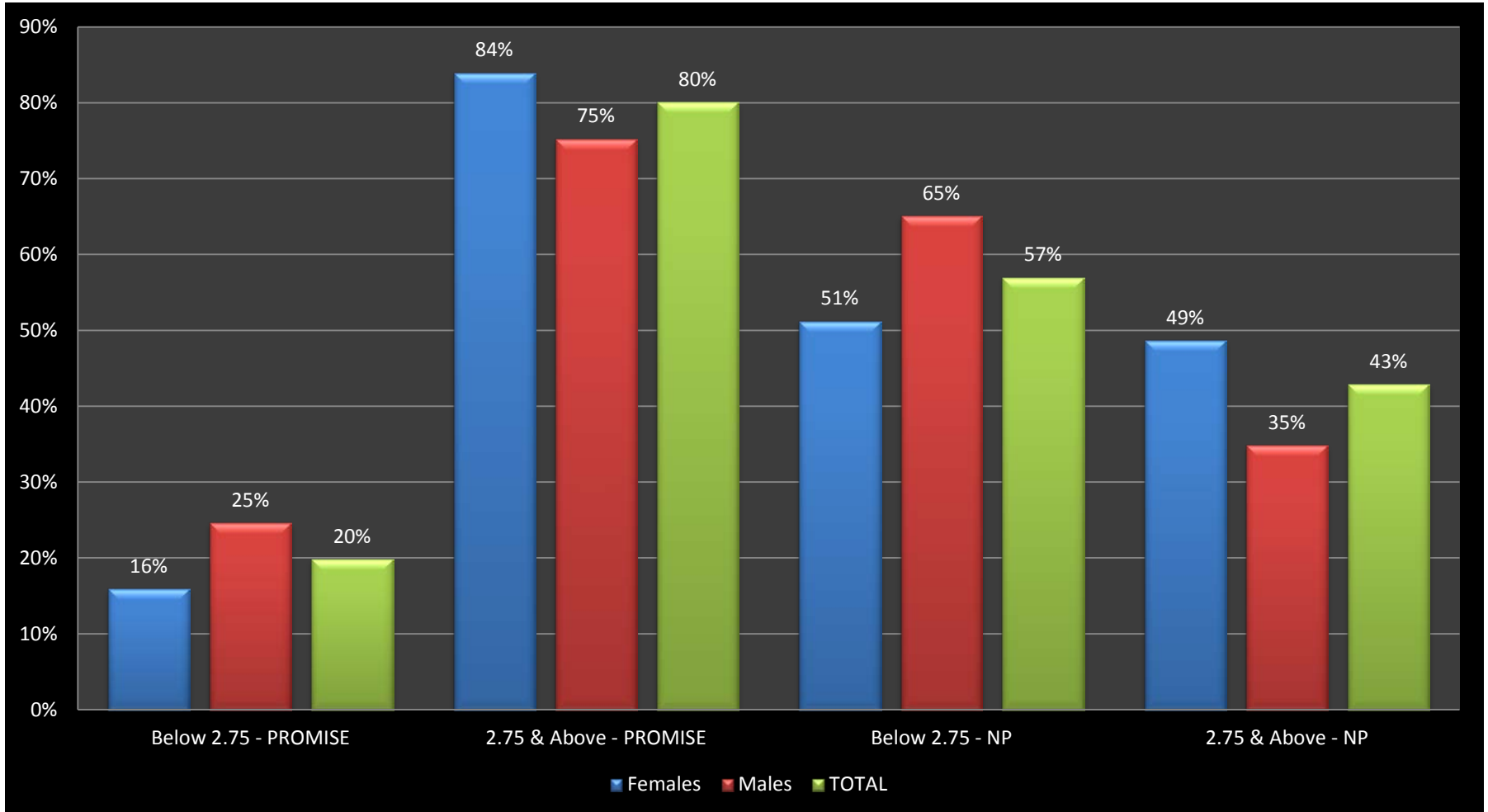
2005 Promise Student Need Demographics



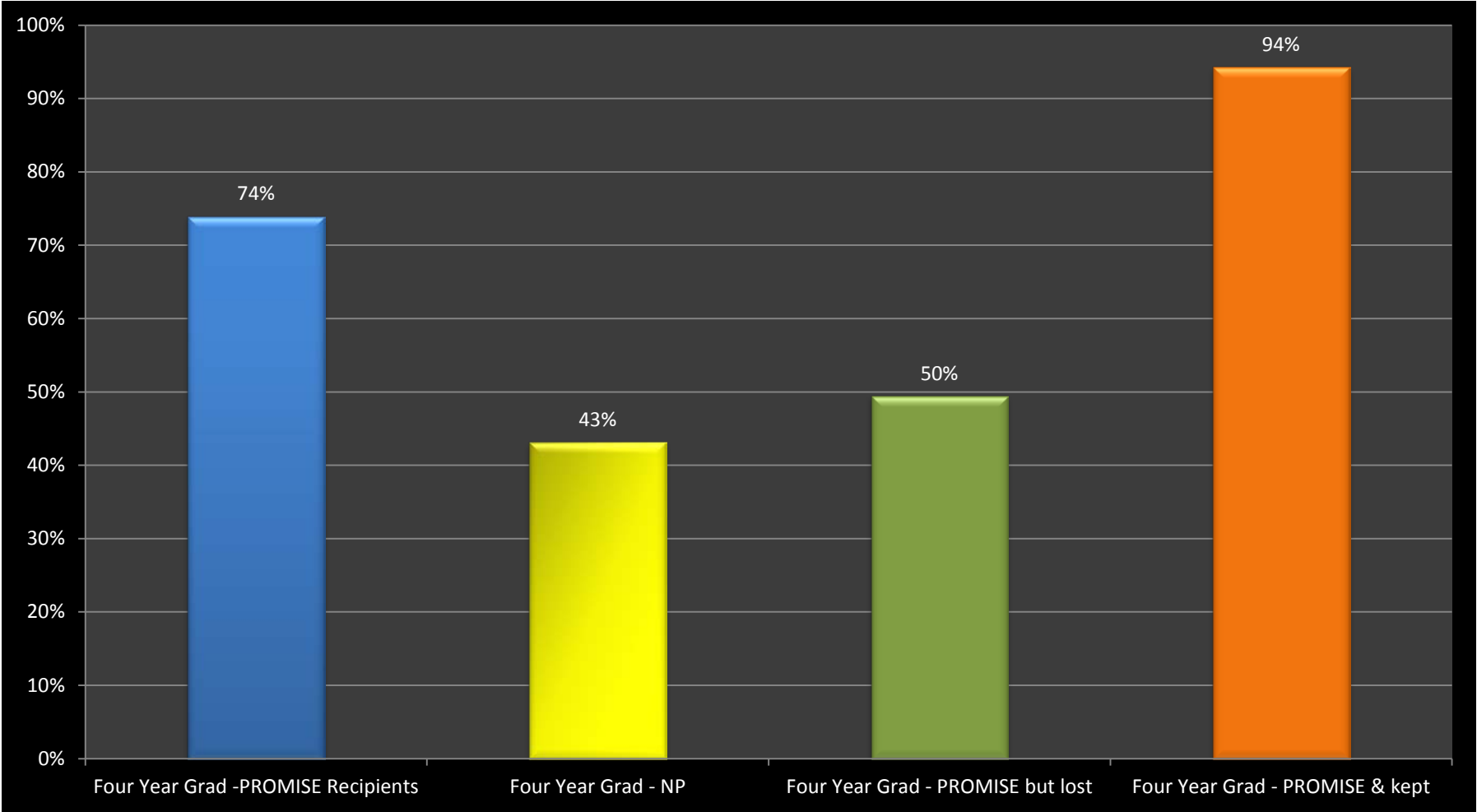
Credit Hour Qualification After Year One



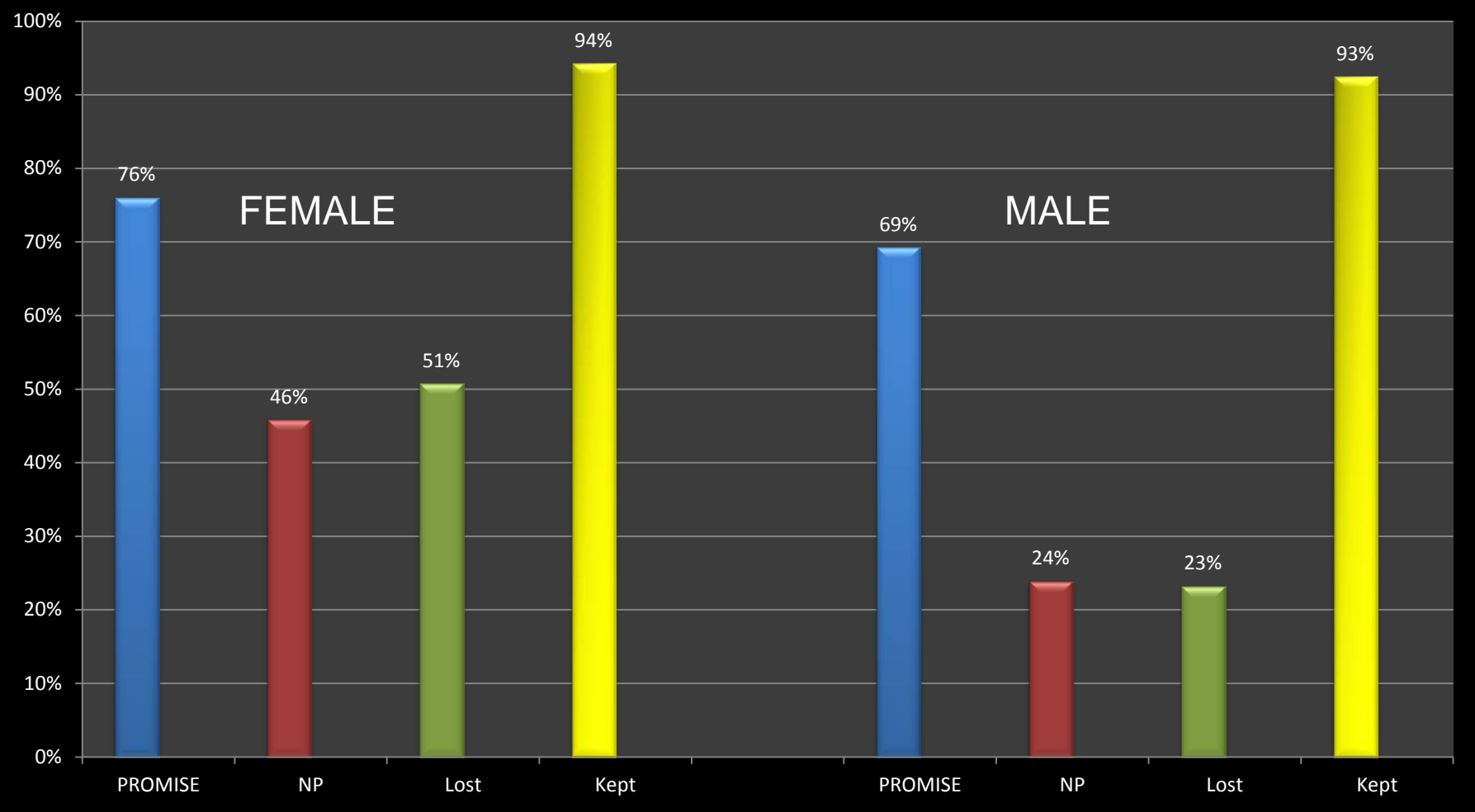
GPA Qualification After Year One



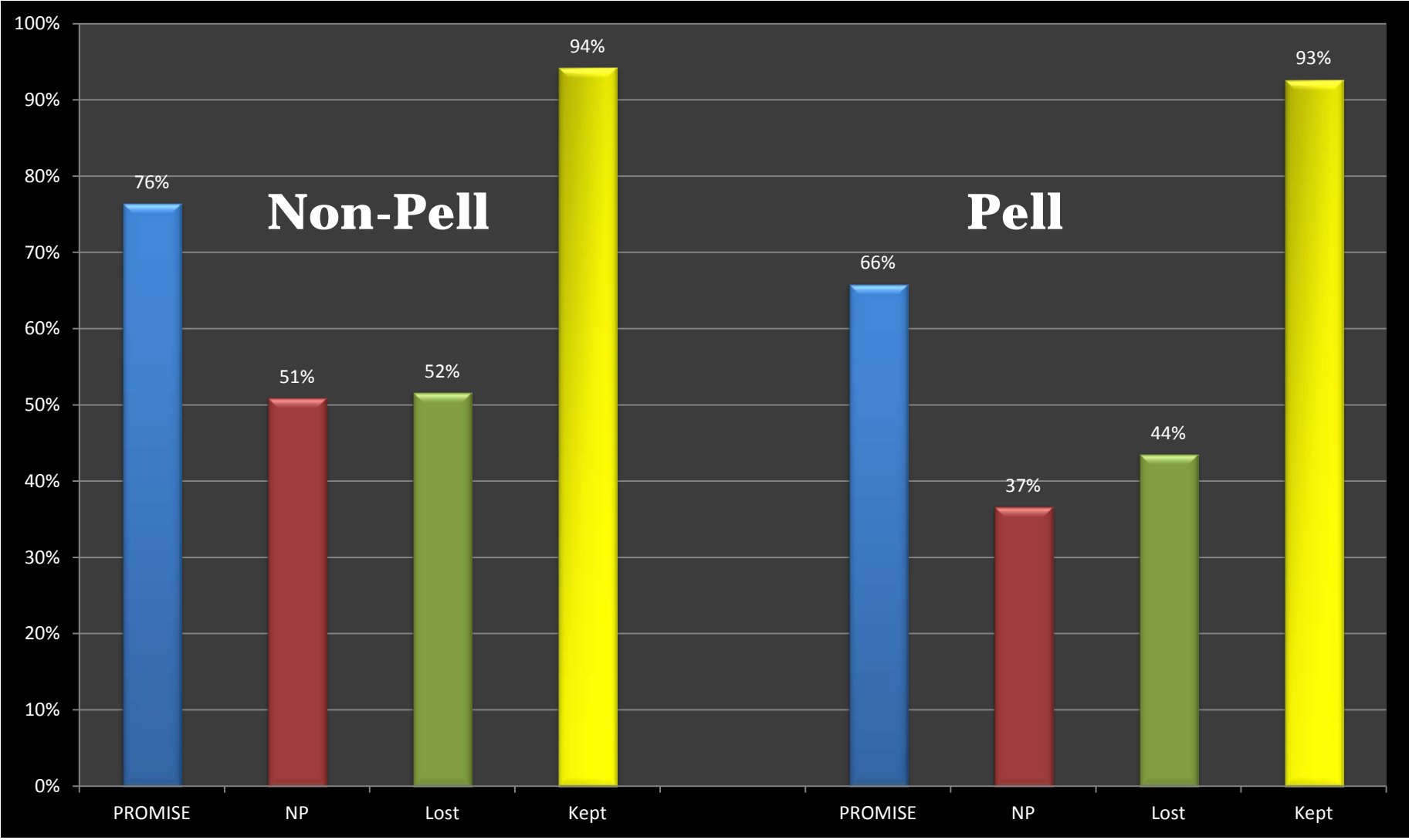
Overall Graduation Rates



Graduation Rates by Gender



Four Year Graduation Rates by Pell Status



Significance

- If goals of expensive merit-based grant programs are:
 - Access & educational attainment,
 - Retaining highest quality students, and
 - Encouraging & rewarding academic achievement, then

State policymakers should ensure that the dollars are going to the places they will be most useful

Higher education practitioners can benefit from additional knowledge of the types of students who may be typical in merit-based aid programs, and the sorts of academic challenges they face that could influence their persistence and keep tuition dollars at the school
- Next steps: conducting a regression discontinuity analysis to determine the quasi-causal impact of scholarship receipt on academic outcomes

Questions?

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A special “Thank you!” to our West Virginia colleagues, Rob Anderson and Angie Bell, for sharing this dataset with us.