

## COMMISSION ON HIGHER EDUCATION QUALITY AND AFFORDABILITY

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Meeting: November 26, 2024

Start Time: 4:00 pm

via Zoom

### MINUTES

The second meeting of the Commission on Higher Education Quality and Affordability (CHEQA or Commission) was held on Tuesday, November 26, 2024, remotely via teleconference (Zoom).

#### I. CALL TO ORDER & WELCOME

Commission Co-Chair Chris Gabrieli called the meeting to order at 4:05 p.m.

Co-Chair Gabrieli welcomed all and noted the CHEQA group operates pursuant to Massachusetts' Open Meeting Law, which allows the group to meet virtually via zoom and record the proceeding. The Chair asked if there was any objection to recording the meeting. No objection was registered. Recording proceeded.

The Co-Chair took the roll. Present were –

- Co-Chair Chris Gabrieli, BHE Chair
- Co-Chair Veronica Conforme, BHE Member
- Commissioner Noe Ortega
- Senator Jo Comerford
- Representative Mike Pease
- President Martin Meehan, University of Massachusetts
- President Nancy Niemi, Framingham State University
- President David Podell, MassBay Community College
- Viviana Abreu-Hernandez
- JD Chesloff
- Nate Mackinnon
- Edward Lambert
- Max Page
- Mary Jo Marion
- Niki Nguyen
- Claudine Barnes

- Femi Stoltz

CHEQA Members Representative Dave Rogers & Mr. Joseph Bonilla were not in attendance. Secretary Tutwiler's designee, Robert LePage, and Mr. Douglas Howgate joined after roll was called.

Co-Chair Gabrieli reminded the Commission of the structure of the group's work that has focused first on student success and will focus second on financial aid, and finally on recruitment and retention of faculty and staff. He noted that a deliberation phase on those topics will begin in January 2025.

## II. INTRODUCTIONS

Co-Chair Gabrieli introduced the three speakers scheduled for this meeting.

- Dr. Emily Wiseman is a director at EY Parthenon and working with Deputy Commissioner Michael Dannenberg on leading the project's background work.
- Dr. Emily House is the former Executive Director of the Tennessee Higher Education Commission and a Professor at Vanderbilt University.
- Dr. Noe Ortega is the Massachusetts Commissioner of Higher Education.

## III. DISCUSSION TOPIC: FINANCIAL AID

Each speaker made use of a PowerPoint presentation, which was also made available to the public prior to the meeting and continues to be housed on the Massachusetts Department of Higher Education website on its CHEQA homepage.

Dr. Wiseman first discussed the most salient elements of Massachusetts' higher education financial aid system. She noted key moments in the development of that system and concluded with a walk through of key challenges the Commission and Commonwealth confront.

With regard to the Commonwealth's current state financial aid system, Dr. Wiseman noted the winding path that students follow, beginning first with filling out the FAFSA. State higher education financial aid programs typically "top-off" any unmet need after federal financial aid is awarded as that unmet need relates to remaining "direct costs" for tuition, fees, books, and supplies. She highlighted that federal Pell Grant aid is a foundational part of the package.

Dr. Wiseman emphasized that students confront additional higher education costs beyond tuition, fees, books, and supplies in the form of housing, food, childcare, transportation and other expenses. These "indirect costs" round out the "total cost of attendance" a student and their family must finance. Dr. Wiseman offered a graphical representation of the relative amounts of direct vs. indirect costs that families must finance. In Massachusetts, between 44% and 50% of the total cost of attendance is made up of indirect expenses for items such as housing, food, transportation, childcare. Beyond Pell Grant aid, additional *federal* financial aid supports meeting those costs, including that provided through the Federal Work Study program. Some

colleges also provide “institutional aid” as a supplement. Two of the three segments in Massachusetts, however, provide relatively little in the way of institutional aid.

President Meehan interjected and highlighted that UMass has allocated a significant portion of its institutional budget to need-based financial aid over the past 15 years at the expense of other investments and initiatives. He stated it would be unfair to take this initiative for granted when reassessing financial aid in the state. President Meehan asked if this type of institutional allocation was best practice, and Dr. Wiseman replied that making enrollment more accessible is a leading practice though cost structures differ amongst different types of institutions. Member. Mackinnon stated it is not a leading practice in the community college space to provide institutional aid.

Dr. Wiseman’s presentation recommenced, and she discussed tuition and fee trends as well as overall cost of attendance trends over the last 35 years. Both of those costs have increased markedly as has the student share in meeting those costs. In recent years, however, there has been a slight reversal of that trend coinciding with expansion of Massachusetts state financial aid programs. That reversal is particularly true at the community college level.

Member Mackinnon interjected and asked about a representation in Dr. Wiseman’s PowerPoint presentation on the number of students served by Massachusetts community colleges. Dr. Wiseman noted the represented number of students reflected the total number enrolled. Member. Mackinnon questioned the veracity of that assertion.

Dr. Wiseman returned to her presentation. She noted that state financial aid does not cover short-term, non-degree granting courses. She highlighted the high profile marketing of the Commonwealth’s Mass Educate program within the community college segment, and recent University of Massachusetts institutions’ marketing of free tuition and fees for those with incomes below approximately \$75,000 (adjusted gross income) as per state financial aid investments.

Dr. Wiseman turned to highlighting three key financial aid challenges persisting in the current system:

1. Unmet Need. Middle-income and low-income families confront significant costs as they relate to expenses beyond tuition, fees, books and supplies.
2. Lack of Codified Financial Aid Policies. There is no guarantee in Massachusetts of funding levels for financial aid or programmatic guarantees such as a free college promise.
3. Lack of a Coordinated and Comprehensive System. Massachusetts has some 50 odd financial aid programs, many of which serve a small number of students and provide small awards. Moreover, financial aid programs exclude key student populations (e.g. early college high school students, high-value certificate students)

With regard to “unmet need” as measured against the “total cost of attendance,” estimated out-of-pocket costs after all financial aid is awarded for students from the lowest income families ranges from \$11,000 to \$14,000 per year across all public higher education segments. Member Nguyen asked for clarification on the question on “unmet need” and whether health insurance costs were included. Dr. Wiseman responded that she presumes it is not.

President Meehan asked about housing cost approximations and whether on campus housing or off-campus housing options were more affordable to the students. Dr. Wiseman replied that while that question has not been studied, it is variable and dependent on locational factors.

Co-Chair Gabrieli sought to clarify for Commission Members that at a high level a major discussion topic for this group is whether state financial aid should extend to the cost of attendance beyond tuition and fees, books and supplies, as that term (cost of attendance) is used and required to be reported by each institution of higher education to the federal government via the public Integrated Postsecondary Education Data System (IPEDS). Co-Chair Gabrieli noted that these are not our estimates of cost of attendance; rather, these are campus estimates. He added that there is debate about the precision of the numbers, but the big question for the Commission is whether there should be additional state financial aid for indirect costs that go to the total cost of attendance in furtherance of student completion and college affordability.

With regard to the lack of codified policies in support of a guaranteed minimum amount of resources for state student aid or programming for students, Dr. Wiseman noted fluctuations in state education appropriations per full-time equivalent student over time.

With regard to coordination and comprehensiveness of state financial aid programs, she again highlighted the number of small programs and uncovered populations, including those enrolled in early college programs and skill-based, non-degree programs.

Dr. Emily House then presented and described the history of state financial aid programs in Tennessee with a focus on the Tennessee Promise program. She noted however that other states, such as Michigan, New Mexico, and Washington State have robust state financial aid programs and guarantees.

Dr. House described how politically in Tennessee investment in state financial aid was discussed as an economic development initiative. She noted that the state “promise” initiative grew from local efforts in Knoxville and East Tennessee. Dr. House highlighted that the Tennessee Promise program is financed by the proceeds of a state lottery program. Tennessee Promise is limited to two-year public college and technical college students. It requires students to be graduates of a Tennessee high school, fill out the FAFSA, enroll immediately following high school graduation, do so on a full-time basis, and maintain consistent enrollment over time in order to qualify for state funds. In 2020, participating students were also required to match with a mentor and complete eight hours a week on average of community service.

As a result of these requirements, Tennessee has vaulted upward on national rankings of FAFSA completion. High school graduation rates have increased. The college going rate has increased. Dr. House indicated the state did not see undermatching among student participants, but did see a

rise in overall enrollment. Today, Tennessee is drawing on philanthropic funds to provide support for costs beyond tuition and fees.

Co-Chair Conforme and Co-Chair Gabrieli interjected to invite questions from Members of the Commission.

- The Co-Chairs first asked Dr. House's views of lessons learned from Tennessee, New Mexico, and Michigan. Dr. House responded that ideally Tennessee Promise would be a "first-dollar program" with *federal* financial aid available for costs beyond tuition and fees like transportation and housing supplementing first-dollar state financial aid for tuition and fee costs. She noted that Michigan consolidated many of its financial aid programs under an umbrella scholarship program in order to make state financial aid more transparent.
- Member Chesloff asked about alignment of state financial aid with in-demand jobs. Dr. House answered that state departments of higher education can host employer round tables to understand labor needs and emphasized the need for an open-minded approach to in-demand education, but beyond that offered no specifics. Member Chesloff noted that the best success measure of financial aid programs is whether students are graduating and entering into jobs that match employer needs.
- Member Page discussed broader goals of education beyond immediate job needs and emphasized the desire for a debt-free system to attend either a two- or four- year public institution. He questioned whether the two-year institution focused Tennessee Promise program inspired any further work in the four-year space. Dr. House replied that in addition to four-year colleges launching their own "promise" programs with institutional aid, there is current legislation aiming to inspire four-year institution enrollment.
- Member Mackinnon inquired about the impact of Tennessee Promise's focus on full-time vs. part-time students and research into other completion strategies. Dr. House discussed high school to college transition mentoring and mentoring at the postsecondary institution level as an important influences on postsecondary completion.

Commissioner Ortega then presented and reiterated that college affordability or "unmet need" challenges as measured against total cost of attendance, as defined by the federal government, remain. He also reiterated the codification challenge insofar as state financial aid is provided on a year-by-year basis as per annual legislative and executive branch decisions determining just how much financial aid will be provided to students and families in contrast to families that make a multi-year commitment upon entering college. Finally, the Commissioner described the challenge of ensuring state financial aid programs are coordinated, comprehensive, and clear in nature.

In developing options for the Commission to consider, Commissioner Ortega highlighted several guiding principles: that financial aid programs be simple, transparent, prioritize the neediest students, promote affordability, and support program completion and post-graduation success in employment. He then drew attention to four financial aid reform and improvement options,

including their respective origins, a description of design, eligibility, award value, cost to the Commonwealth number of students served per option broken down by higher education segment, and how each option measures against previously stated guiding principles.

Financial aid enhancement options include:

- 1) A guaranteed basic needs stipend for all students equal to 10% of the cost of attendance.
- 2) A state financial aid match of the Pell Grant award that in effect “doubles the Pell Grant.”
- 3) An extension of the MassReconnect and MassEducate free tuition and fee programs to public four-year institution students.
- 4) A debt-free commitment to cover the unmet need of all students after they pay their expected family contribution for college and an amount equal to the value of approximately 11 hours of paid work while in school (over 30 weeks).

The Commissioner followed noted again the codification challenge to signal to families that they can be assured of multi-year support. The Commissioner offered three codification options:

- 1) Codification of current state financial aid *programs* in law.
- 2) Codification of an expanded state financial aid *commitment* in law.
- 3) Codification of a *funding guarantee* in law, such as a percentage of Fair Share funds to be set aside for financial aid to students.

Comments followed.

- **Member Mackinnon**
  - Mr. Mackinnon applauded the idea of codification and the challenge of annual appropriations.
  - He asked whether cost estimates of options presented assumed constant institutional aid. Dr. Wiseman confirmed that they did. President Meehan made clear he did not want to see UMass penalized in the future, because of its current level of commitment to institutional aid.
  - Mr. Mackinnon directly asked whether there was intent to have two different basic needs stipend levels based on institutional segment attended. He submitted it did not make sense to do so given the stipend is for basic needs, which do not vary by institutional segment.
- **Member Stoltz:**
  - Ms. Stoltz mentioned a previous \$100 million estimate of the annual cost associated with providing success services-oriented wraparound support to every Pell-Grant eligible student in the Commonwealth and asked for reconciliation with the financial aid option set presented. The Commissioner noted that the goal and definition of student success is a moving target, so costs slide. The

Commissioner stated that the CHEQA group will analyze appetite for different options among success and financial aid options. Some such as Mr. Page have suggested there is the possibility of a North Star that reflects a large number.

- Co-Chair Gabrieli interjected that the Commission's job is to lay out a path by which the Commonwealth can make college higher quality and more affordable. The legislature and Governor have the authority to appropriate funds.
- **Member Max Page:**
  - Mr. Page noted that Massachusetts is behind other states on these issues, though it has traditionally been a leader in education. Specifically, Mr. Page highlighted declining state financial aid for much of the past 15-16 years. And he mentioned the role of education in economic mobility and racial justice; while ideas may be changing about value of higher education, access and affordability are still important.
  - He highlighted the importance of making higher education accessible and debt-free, including access to skills-based credentials.
  - Mr. Page also noted his strong support for codification of programs and financing. Mr. Page described it "crucial."
- **Member Barnes:**
  - Professor Barnes stressed the need for transparency and simplicity not just in financial aid, but other state programs such as those related to housing and childcare.
- **Member Niki Nguyen:**
  - Ms. Nguyen highlighted student struggles with basic need costs, including accessing mental health resources, and transportation costs.
- **Member Stoltz:**
  - Ms. Stoltz noted our financial aid challenge include the lack of a streamlined system and inquired what the groups' options might be in that regard. Commissioner Ortega noted the Department is pursuing work in the area leaning on prior academic work of Dr. Monica Chen.
- **Member Mary Jo Marion**
  - Ms. Marion questioned the impact of demographic shifts on institution enrollment and success. Commissioner Ortega suggested that the impact of demographic trends on higher education is a long-term topic for a future group.
- **President Meehan:**
  - President Meehan emphasized the importance of early college programs as a form of financial aid that is currently excluded from legislation. He noted a commitment to early college at UMass given that it has the potential to save students lots of money in the long run.
  - He also noted opposition from private institutions to debt-free public institutions but spoke of executive administration support for public institutions and the need for a forceful argument in further support.
- **Co-Chair Gabrieli:**

- Co-Chair Gabrieli noted that state financial aid programs do not support early college students, and that there is a lack of financial aid for skill-based/non-degree credential and certificate programs. President Podell echoed the latter claim.
- **Member Ed Lambert**
  - Mr. Lambert noted the importance of supporting credential and certificate programs.
  - He also highlighted the importance of state return on investment and efficiency in higher education spending.

Co-Chair Gabrieli sought to adjourn the meeting, and assured Members that their comments were being noted and will be part of future deliberations.

The meeting adjourned at 5:53 pm.

*List of Documents Used (available at [www.mass.edu/strategic/cheqa.asp](http://www.mass.edu/strategic/cheqa.asp))*

- PowerPoint Presentation, Commission on Higher Education Quality and Affordability, Meeting #2: Financial Aid, November 26, 2024

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