Ensuring Affordability:
AASCU Institutions’ Practices & Policies

January 2022
Introduction

The bachelor’s degree is a road to financial and social mobility, community engagement, and general satisfaction and well-being. Workers with a bachelor’s earn more than double those with just a high school diploma ($62,000 versus $29,000 median earnings in 2018). However, higher education expenses can lead to significant debt, to the point that some may consider whether the value of college is worth the cost. Further, the funding gap—when educational financial resources do not meet educational costs—is typically largest for historically underserved students (e.g., Black, Latinx, Indigenous, and low-income students).

Member institutions of the American Association of State Colleges and Universities (AASCU) provide broad access at relatively low tuition costs compared with other four-year institutions (see Figure 1).

In a time of declining state funding and other challenges posed for public four-year
institutions, this brief highlights promising practices and policies implemented by a set of seven highly affordable AASCU member institutions.

Several financial measures were assessed to select these institutions, including net price and loan usage (see the Appendix for the full methodology). These institutions’ publicly available documentation was then scanned to identify policies and practices that enable affordability. A second group of six institutions facing external barriers that adversely affect affordability was also identified to scan for any discernible differences in policy and practice between the two groups.

Figure 1. Tuition & Fees, 2017–18

Higher education expenses can lead to significant debt, to the point that some may consider whether the value of college is worth the cost.
Facilitating Affordability: Promising Policies and Practices

Several common institutional policies and practices that support affordability emerged as a result of this analysis:

» **LEADERSHIP PLACES EMPHASIS ON AND PRIORITIZES AFFORDABILITY.** This is evidenced by public statements, mission and value statements, and the prominence of affordability rankings on institutional and system websites.

» **FULL NEED-BASED AID** covers the remaining tuition and fees after federal and state grants are taken into account.

» **OTHER NEED-BASED GRANTS, INNOVATIVE TUITION POLICIES, AND FUNDS FOR STUDENT NEEDS AND SUPPLIES** are among other related policies to further support affordability.

**TABLE 1** displays the policies and practices that were identified as potential levers to support and promote affordability and how frequently these policies and practices show up at the studied institutions.

<table>
<thead>
<tr>
<th>Table 1. Factors Facilitating Affordability</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Leadership prioritizing affordability</strong></td>
</tr>
<tr>
<td><strong>Need-based grants</strong></td>
</tr>
<tr>
<td><strong>Supplemental grants</strong></td>
</tr>
<tr>
<td><strong>Completion grants</strong></td>
</tr>
<tr>
<td><strong>Innovative tuition policies</strong></td>
</tr>
<tr>
<td><strong>Student needs and supplies</strong></td>
</tr>
<tr>
<td><strong>Student advocacy</strong></td>
</tr>
</tbody>
</table>

It should be noted that institutions in states with more supportive state policies and funding can more easily lower costs for their students. AASCU institutions in particular are dependent on state funding to keep tuition affordable. The majority of states represented by these institutions offer some type of grant program. However, while these programs are partially need-based, many also have academic requirements, or are only being piloted at a small number of institutions.

The sections that follow provide examples of the promising institutional practices that facilitate affordability. These sections also include questions for consideration at your institution. **Affordability** is a broad and complex concept without a one-size-fits-all solution for institutions diverse in missions, populations, and other characteristics. These guiding questions, therefore, are intended to help you think about ways your institution can be innovative in identifying affordability levers within existing external constraints.
Leadership Prioritizing Affordability
Affordable institutions place affordability and accessibility at the center of their mission statements, reflecting leadership priorities. Colleges with mission clarity are more likely to find innovative approaches and reforms to help them achieve their goals, and they are more likely to rally stakeholders in pursuit of these goals.⁶ Affordable institutions demonstrate a commitment to affordability in the following ways:

- **WEBSITES.** Highly affordable AASCU institutions selected for this brief cite their state or national rankings for relatively low tuitions on their website homepages.

- **PUBLIC STATEMENTS.** The presidents of affordable institutions make public statements about their decisions not to increase tuition. Leaders also publicly express their institutions’ commitment to affordability, access, opportunity, and mobility, while still emphasizing high-quality education.

Consider the following when demonstrating affordability as a leadership priority at your institution:

- What would a prospective student’s first impression be about your institution based on the website homepage? Is information about affordability such as scholarships and links to financial aid readily available and accessible?

- How can you emphasize both academic excellence and value?

- How can affordability be demonstrated—what are relevant national or state-level benchmarks or rankings?

- Beyond websites and public statements, how can you demonstrate a strong commitment to affordability (e.g., social media blasts, inclusion in strategic goals)?

- Are these messages about affordability reaching the parents or other family members of prospective students? Are messages communicated to local populations in their native languages?

- What systems of rewards and accountability can be leveraged to ensure that faculty and staff adhere to the leadership’s commitment to affordability?

Need-Based Grants
Grant aid—aid that is not repaid, especially need-based grant aid (as opposed to merit-based)—is an important funding source for historically underserved and low-income students, as many of these students come from underfunded school districts and may not meet academic criteria for merit-based grants.

- **FULL NEED-BASED GRANTS.** Need-based grants that cover full tuition and fees after applying Pell Grants and state grants—a frequent offering of institutions with a commitment to affordability—are especially helpful for low-income students and students of color.

Consider the following when exploring need-based grant policies and programs:

- Does your institution offer need-based grants? What would be the impact of offering more need-based grants?

- Where would funding for the need-based grants come from? What financial models can be used to explore potential funding sources? Who are potential philanthropic partners?

- Which stakeholders’ perspectives should be included when exploring need-based grant policies, and who should participate in the conversation to develop grant policy?
Supplemental Grants
While statewide Promise Grants provide an opportunity for students who might not otherwise afford college to attend, affordable institutions can also cover the following remaining student costs:

**HOUSING AND FEES.** A small, southwestern institution offers a scholarship to supplement the statewide Promise Grant by covering the remaining costs of housing and fees.

**REMAINING EXPENSES.** A small, southeastern institution offers a last-dollar tuition scholarship—a scholarship that covers the remaining costs after all other grants have been applied—to Pell Grant-eligible residents. These scholarships cover either remaining tuition, or all remaining tuition, fees, and living expenses.

Consider the following when exploring supplemental grant policies and programs:

» Does your state or institution offer a Promise Grant? If so, what is covered? Full tuition? Fees? The costs of housing, meals, transportation, books, computers, or child care? Can institutional funds be used to supplement state need-based grants to cover the full cost of a degree? For many low-income students, the cost of fees or supplies can be enough of a barrier to prevent them from enrolling or continuing.

» Does working off-campus and enrolling part-time have adverse effects on student outcomes? Can you collect data on the impact of employment on student outcomes to make a case for providing supplemental grants to offset the need for outside employment? Can your institution develop partnerships with local employers to offer paid internships?

» Can your institution partner with local organizations (e.g., community-based organizations, workforce development, foundations) to provide supplemental grants?

Completion Grants
While supplemental grants allow students to enroll in and continue at an institution, some students may also need additional funds to finish their degrees if aid sources have been maximized. Affordable institutions offer the following types of aid to help students complete their education:

**MICROGRANTS.** A large, Pacific Western institution offers a microgrant for state residents in good academic standing who are close to graduating but unable to pay their last tuition bill. This grant provides up to $1,500 and has been a “game changer for supporting students at the tail end,” according to an institution representative.

**EMERGENCY GRANTS.** The Pacific Western institution also offers emergency scholarships for personal hardships—for example, if a student’s car is broken into or their laptop is stolen—to help retain students once enrolled.

Consider the following when exploring completion grant policies and programs:

» What financial barriers typically prevent your students from completing their programs? How can you collect and analyze this data?

» Do students at your institution know where to turn for assistance if they are facing a financial hardship or emergency?

» How many additional students would graduate if they received completion grants? How can you use this data to make a case for completion grants?

» Can funds be set aside for students who are on track to graduate but have minor expenses they cannot cover through other sources? Have alumni been asked to make donations to an emergency fund?
Innovative Tuition Policies

In addition to grants, affordable institutions offer reduced tuition through innovative programs and policies.

TUITION FREEZE. A small, southeastern institution offers a four-year tuition freeze for students who enroll in six hours of dual enrollment credit during high school.

REGIONAL DISCOUNTS. Institutions in a southeastern state offer reduced tuition for students in nearby counties of neighboring states.

SPECIALIZED DISCOUNTS. A small, southeastern institution offers a discounted tuition rate to students in specified majors and to students whose parents are educators.

ACCELERATED BACHELOR’S DEGREES. A small, southwestern institution uses a full calendar year trimester system (including the summer), which allows students to complete degrees in three years. In addition, high school juniors and seniors can receive tuition waivers for up to 27 credit hours.

Student Needs and Supplies

Affordable institutions offer services and supplies at low or no cost to address student needs.

FOOD PANTRIES. All the highly affordable institutions examined offer free food pantries for students in need, which has become an increasingly common practice across the country.

BOOKS AND LAPTOPS. Several institutions offer vouchers or rentals for books, electronic textbooks, and laptops.

CHILD CARE. Affordable institutions also offer child care resources to help defray the cost of related expenses for student parents.

Consider the following when exploring innovative tuition policies:

» What financial models can be used to understand differing scenarios of tuition rates and their effect on revenues and services? What data are needed?

» Do existing system, state, or regional policies prevent your institution from offering new, creative ways to reduce the tuition burden on students? Can you partner with others in the system, state, or region to offer more affordable tuition rates for students in your service area?

» Can practices from innovative tuition policies that others have implemented be applied to your context?

» Can your institution offer a financial incentive for students to graduate within four years?
Student Advocacy
The student voice can be a strong and influential advocate for affordability. Affordable institutions elevate the student voice on their campuses to support decision-making.

STUDENT VOICE. In a Pacific Western state, all public, four-year institutions cannot raise student fees without a student vote. Also, in this state, an increase in state higher education funding was attributed in part to a campaign led by students, who wrote to their state legislators requesting additional funding.

Consider the following when elevating students’ role in decision-making:

» In what ways have your students been offered a voice in institutional policies related to tuition and fees? If they haven’t been offered an opportunity to participate in decision-making, why is this the case?

» What existing structures allow for students to share their feedback on institutional policies and practices? How can these structures be improved or expanded? Which stakeholders should be tapped for exploring these structures?

» Are your students generally active in campus advocacy groups and passionate about social justice causes? If so, how can you collaborate and leverage their voices to make an impact at the state level to help future students?
Institutions Facing External Affordability Barriers

While all AASCU institutions are relatively affordable compared with their public, four-year, non-AASCU counterparts, we examined policies and practices within a subset of AASCU institutions that fall across the spectrum of affordability metrics to determine factors that influence affordability. In many cases, tuition increases due to external influences, such as state budget shortfalls or enrollment declines, may explain why some institutions face affordability barriers.

However, some of these institutions also lack the promising practices and policies found at their more affordable peers. For example, while affordability as a leadership priority is evident at all seven of the highly affordable institutions, leaders from only two of the six institutions facing affordability barriers made public statements about the importance of and priority on affordability. Only one of the six institutions facing affordability barriers appears to offer full need-based grants, though this might be due to external factors. None of the institutions facing affordability barriers appear to offer innovative tuition policies. External barriers may have an effect on institutional practices for maintaining affordability.

With that said, institutions facing external barriers—for example, those operating in states with more restrictive state policies and funding—are still finding ways to help alleviate costs for students. For instance, in 2019, an institution cut back on administrative expenses to reduce costs to students. The governor of this state identified means to reduce costs for students through innovative measures rather than large financial investments. These measures could also be considered at the institutional level:

» Increase opportunities for obtaining college credit through high school courses and prior work experience.
» Replace textbooks with open-access educational materials.
» Reduce health care costs for institutions’ employees.
» Use renewable energy sources to cut back on electricity bills.

Institutions may also consider whether they are unable to implement the practices identified in this brief due to financial constraints or whether priorities are focused elsewhere. Institutions can help drive a campus dialogue around affordability or incorporate it as part of their strategic plans and mission and value statements.
Conclusion

Institutional leadership, supported by state leadership, must be committed to affordability—through financial investments, publicly stated commitments, and innovative practices—to reduce costs to students and keep colleges and universities affordable.
Public, regional four-year institutions and states can make affordability a priority by leveraging the following policies and practices focused on students with the highest financial need:

» Shift from merit- to need-based grants to supplement financial aid from federal and state sources.

» Help low-income students in particular by providing supplemental, micro, and emergency grants to fill in remaining gaps in the full cost of attendance and assist students through challenging times.

» Guarantee tuition at the same rate for four years.

» Open food pantries for students in need.

» Offer books, computers, and supplies at free or reduced rates (or as rentals).

» Offer in-state or reduced tuition rates to neighboring counties and states.

» Offer paid internships related to students' areas of study.

Future research should evaluate the longer-term effects of recently implemented affordability levers on the application, enrollment, and completion rates of historically underserved students (e.g., Black, Latinx, Indigenous, and low-income students), as well as the qualitative factors of how these practices can best be implemented to reach students most effectively.

Prospective students need clear information to compare affordability factors across institutions and make well-informed decisions. Communicating the components of cost and available funding resources clearly on public-facing websites and documents is critical. The research for this brief relied on such public sources for information, as would any prospective student, and questions remained about affordability programs and policies even after methodically and thoroughly searching public documents. Institutions must be more transparent about information relating to costs and simplify this crucial information in an easy-to-digest format, particularly for prospective students whose families lack college-going experience.

It is vital that states and institutions continue their investments in making higher education more affordable, particularly for low-income students and students of color who enter college with a greater financial disadvantage than their peers. For higher education to help close equity gaps, it cannot impose greater costs than what students can reasonably fund without taking on unnecessary debt. It is more important than ever for higher education to act as a lever to enable greater success and prosperity for future generations, thus alleviating the pervasive inequities facing our society. Education not only benefits individuals—society also realizes returns through increased productivity and economic contributions.

Look for forthcoming briefs in this series, which will focus on accessibility and mobility.
Appendix: Methodology

Affordability Measures
Using the U.S. Department of Education, National Center for Education Statistics, Integrated Postsecondary Education Data System, 2017–18 Student Financial Aid data and the U.S. Department of Labor Minimum Wage data, a combination of measures was used to assess institutions’ relative affordability: (1) educational costs and student resources metric, (2) net price, and (3) loan usage.

EDUCATIONAL COSTS AND STUDENT RESOURCES METRIC. For this metric, student education funding resources were compared with cost, measured as the institution’s in-state tuition and fees, to assess whether the student could be expected to meet the costs, or if there is a financial deficit or surplus. Room and board charges were not considered in the affordability computation because the cost of collegiate room and board does not vary significantly from rent and food expenses for young adults. And room and board, or living costs, are likely commensurate with and vary by location, and are not necessarily dependent on institutional or state policy or are under institutional control.

The educational costs and student resources metric was computed as the sum of the institution's average grant award, the expected family contribution of the average Pell Grant recipient, and 10% of student earnings while in college. Note the following about each element of the computation:

» Aid is not always distributed evenly (e.g., across transfer students, part-time students, and there are students who are not eligible for grant aid). For these purposes, the average grant amount was assumed.

» The expected family contribution (EFC) of the average Pell Grant recipient is computed as the average Pell Grant amount for each institution subtracted from the maximum Pell Grant amount allowable for the academic year ($5,920 in 2017–18).10

» Student contributions while enrolled are estimated as 10% of student earnings (from work-study and/or summer wages) for 10 hours per week at their state’s minimum wage.

NET PRICE. This reported metric is the average amount of federal, state, local, and institutional grants and scholarships subtracted from the total cost of attendance (the sum of tuition and fees, books and supplies, room and board, and other expenses).

LOAN USAGE. Prospective students, particularly those who are financially risk averse, likely consider the frequency and dollar value of student loans when considering an institution's affordability—that is, the combination of the average loan amount and the percentage of students with loans at the institution.
**Site Selection**

The seven institutions identified as highly affordable were limited to the following:

1. AASCU member institutions.
2. Institutions high on the educational costs and student resources metric.
3. Institutions with a low net price.
4. A combination of loan amount and percentage of students with loans that was less than average for the sector.

NOTE: The intent was to include one institution per state. However, two institutions in one state were high contenders: one a historically Black college and university, the other not. Considering that the two institutions likely differ in financial structures, enrollments, and financial aid policies and programs, both were selected for the study.

Using the same metrics, six institutions were selected that may experience affordability barriers. The selection criteria follow:

1. AASCU member institutions.
2. Institutions either high or low on the educational costs and student resources metric.
3. Institutions with a potential affordability barrier on either or both net price and the combination of loan amount and percentage of students with loans.
4. One institution per state.

NOTE: By including institutions with a mix of outcomes on the affordability metrics, the intent was to discover a variety of policies that influence the various components to institutional costs and students' ability to pay.

**Regional Classification**

The regional classification of institutions is based on the following conventions:

» Institutions situated in Alaska, California, Hawaii, Oregon, or Washington were grouped as “Pacific Western.”

» Institutions situated in Arizona, New Mexico, Oklahoma, or Texas were grouped as “Southwestern.”

» Institutions situated in Alabama, Arkansas, Florida, Georgia, Kentucky, Louisiana, Mississippi, North Carolina, South Carolina, Tennessee, Virginia, or West Virginia were grouped as “Southeastern.”
Endnotes


4. Ibid.


6. See Appendix for methodology.

7. A subgroup of institutions was contacted for follow-up interviews to collect additional information that may not be available on institution websites; however, only one institution was available. While reliance on public documentation may be seen as a potential limitation, it is important that institutions make information about affordability programs and policies transparent and accessible for prospective students. Also, it is important to note that the scans of publicly available documentation were conducted in August 2020.


9. The Consumer Expenditure Survey shows that in 2017–18, adults 25 or younger spent an average of $4,876 on food and $6,541 on rent per year, for a total of $11,417. This total is not much different—and slightly higher—than the average $10,810 room and board charges at public four-year institutions, as reported by the College Board. Notably, the College Board reports that, in 2015–16, only 36% of full-time students at public four-year institutions lived on campus.

10. EFC, although an imperfect measure, is the only normalized measure of family financial contribution across student types (dependent/independent, family size and composition, etc.).
About the American Association of State Colleges and Universities

The American Association of State Colleges and Universities (AASCU) is a Washington, D.C.-based higher education association of nearly 400 public colleges, universities, and systems whose members share a learning- and teaching-centered culture, a historic commitment to underserved student populations, and a dedication to research and creativity that advances their regions’ economic progress and cultural development. These are institutions Delivering America’s Promise.

Prepared in Partnership with ASA Research

This AASCU Issue Brief was prepared by Abby Miller and Sue Clery, founding partners of ASA Research, in collaboration with AASCU. ASA is driven by the belief that research—particularly in the fields of higher education and workforce—is essential for expanding opportunity, improving economic mobility, and contributing to personal and social well-being. ASA is pleased to partner with AASCU in support of student success and to provide strategic data consulting and assistance to AASCU.