



## State Financial Aid

It is an important time to look “under the hood” at state financial aid programs to ensure that they help all types of students and promote college completion through equitable and inclusive financial aid allocation and distribution. State financial aid programs keep the door to higher education open for many, often supplementing federal financial aid, which has lost its “[buying power](#)” in recent decades as Pell Grant values have failed to rise along with the cost of attending college. State aid also broadens the pool of financial aid recipients, filling in the gaps where federal financial aid does not apply.

JFF recommends that state financial aid programs support part-time students, not just full-time students. That is important for people who need to balance work and college. State aid should also support students participating in short-term credential programs of one year or less that align to industry demand. Many short-term credential programs are not eligible for federal financial aid, but the skills learners acquire in such programs are often important to employers and lead to high-wage jobs. Additionally, state aid should support adults who are working to attain a high school equivalency certificate while also pursuing a postsecondary credential—an approach proven to accelerate the progress adults make toward occupations that pay family-supporting wages. Finally, states should offer financial aid that gives students incentives to complete their programs of study. There is emerging evidence that this type of aid—sometimes in the form of what are called “last mile” grants—encourages students to complete programs when they have exhausted their federal financial aid and are at risk of dropping out.

### Findings from 15-State Study



**On average**, more than half of the four recommended financial aid policies have been adopted per state.



**Signs of progress:** All of the states offer need-based aid to part-time students—but one state only offers that aid to students at four-year institutions. More than half of the states offer financial aid for short-term, in-demand credentials.

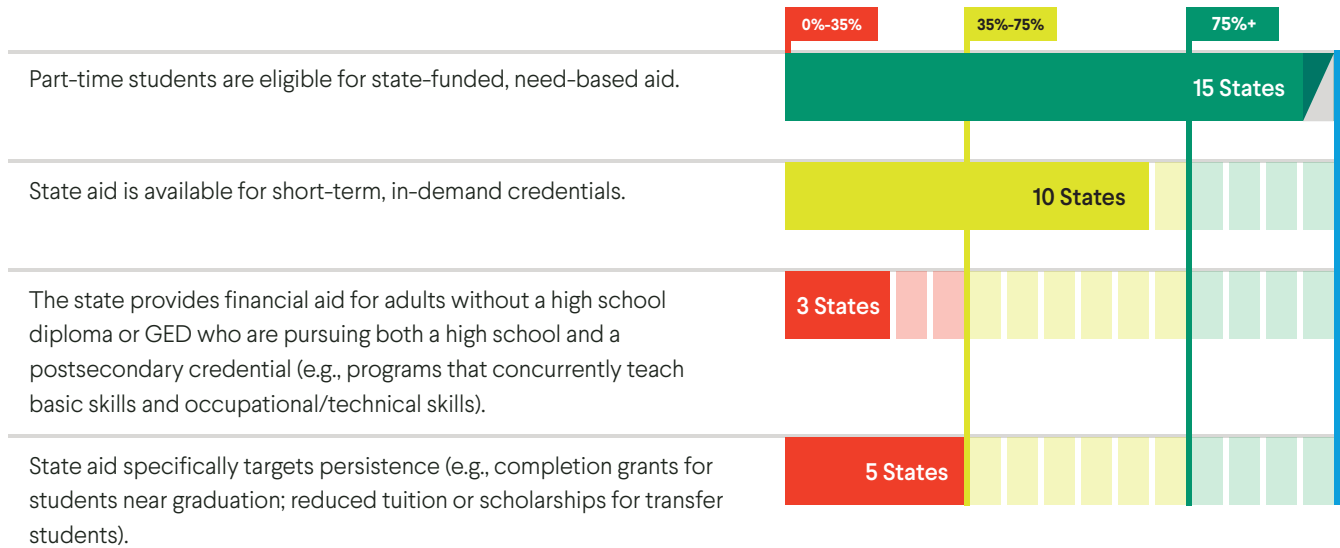


**Critical gaps:** Only one-third of the states offer financial aid as an incentive to encourage student persistence and completion. Very few of them make aid available to adults without a high school diploma or equivalency certificate.



**Ahead of the curve:** Arkansas, California, North Carolina, Virginia, Washington, and Wisconsin.

## State financial aid is flexible, accessible to different types of students, and incentivizes completion.



### State Spotlight: **Arkansas**

Arkansas uses state and federal funding to create [financial aid programs](#) that support many types of students working toward a postsecondary credential. The state’s Academic Challenge grant program supports full- and part-time and traditional and nontraditional students, and the value of the grants increases as students get closer to completing their degrees—a model that encourages completion. The state’s innovative [Career Pathways](#) program uses federal Temporary Assistance for Needy Families (TANF) funds to offer financial assistance to adults who don’t have a high school diploma who are simultaneously pursuing high school and postsecondary credentials. Finally, the state’s newest aid program, the Arkansas Future Grant, offers aid for two-year and short-term programs that lead to in-demand credentials, particularly in STEM fields.

