



The Effects of Satisfactory Academic Progress Requirements on Pell Grant Recipients

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Evidence from Two States

- Results from two CAPSEE papers:
 - Pell Grants as Performance-Based Scholarships? An Examination of Satisfactory Academic Progress Requirements in the Nation’s Largest Need-Based Aid Program (Schudde & Scott-Clayton, 2014, 2016)
 - Performance Standards in Need-Based Student Aid (Scott-Clayton & Schudde, 2016)

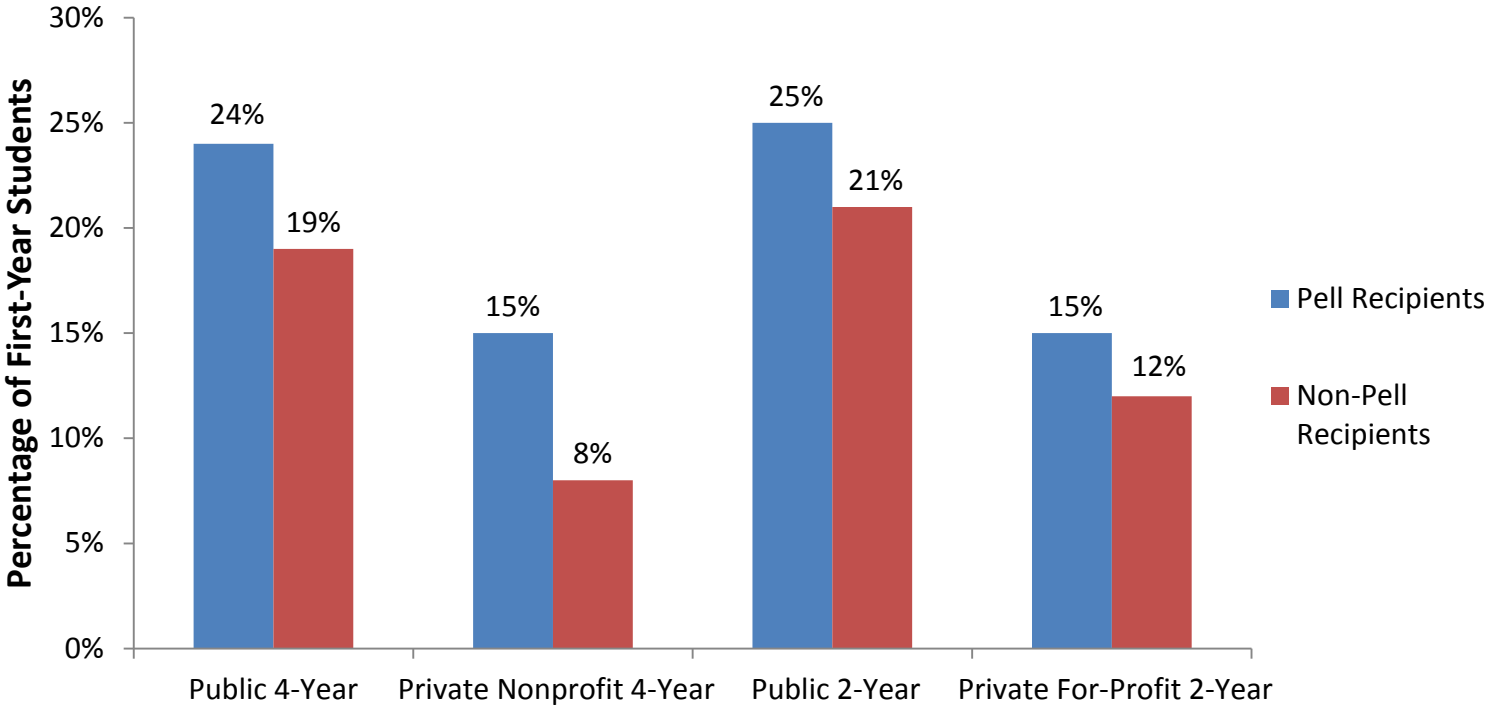
Federal Eligibility for Need-Based Aid

- Initially based on financial need; no consideration of prior achievement
- Renewal requires meeting “Satisfactory Academic Progress” (SAP) requirements
- Applies to all federal aid recipients—we focus on Pell program

Federal SAP Guidelines

- Institutions must assess SAP for federal aid recipients using:
 - “Qualitative Standard”: 2.0 or equivalent by the end of second academic year
 - “Quantitative Standard”: Minimum percentage of work successfully completed
 - Maximum timeframe: Cannot exceed 150% of published length of undergraduate program in credits
- Flexibility in how institutions implement, but most use:
 - Cumulative 2.0 GPA and 2/3 ratio of credits attempted vs. completed

First-Year Students with GPA<2.0, by Pell Receipt: NPSAS 2011-2012



Source: Schudde & Scott-Clayton, 2016

Performance Requirements in Need-Based Aid: What Roles does SAP Policy Serve?

Performance Requirements in Need-Based Aid: What Roles does SAP Policy Serve?

- 1. Financial incentive for academic effort early in college
 - Not tested on federal aid prior to our work on SAP and Pell students
 - Research on performance-based scholarships and promise programs: merit requirements can improve student progress and achievement (Barrow, Richburg-Hayes, Rouse, & Brock, 2014; Barrow & Rouse, 2013; Patel & Valenzuela, 2013; Scott-Clayton, 2011)

Performance Requirements in Need-Based Aid: What Roles does SAP Policy Serve?

- 2. Signal performance expectations to students
 - The 2.0 cumulative GPA standard aligns with requirements for graduation
 - Informs students they are below requirements and allows them to adjust decisions
 - “Adjusting decisions” may mean improving performance or discouraging from persistence

Performance Requirements in Need-Based Aid: What Roles does SAP Policy Serve?

- 3. Improve efficiency of federal aid
 - Minimize program spending on students with low likelihood of graduation
 - Concentrates federal supports on students with higher likelihood of success

Research Questions and Methods

How does SAP impact students?

- How many students fail to meet SAP?
 - Which requirements do they fail?
 - How do Pell students compare to students without federal aid?
- What is the impact of SAP standards on persistence, transfer, and degree attainment?

Data

- Administrative data from two states
 - 3 year follow-up for outcomes
- Both focus on first-time CC enrollees
 - State community college system 1 (State 1)
 - 49 colleges with equivalent SAP policies
 - Fall cohorts 2002-2007: ~147,000 (43,000 Pell recipients)
 - State community college system 2 (State 2)
 - 20 community colleges
 - Fall cohorts 2004-2010: ~113,000 (52,000 Pell recipients)

Outcomes of Interest

- Short-term outcomes
 - Persistence into second year, GPA in first-term of second year
 - Behavioral responses to being warned about SAP status (not loss of aid, yet)
- Longer-term outcomes
 - Credit and degree completion at end of third year,
 - Behavioral response to warning and consequences of losing aid (for some, but not all) students—drop out

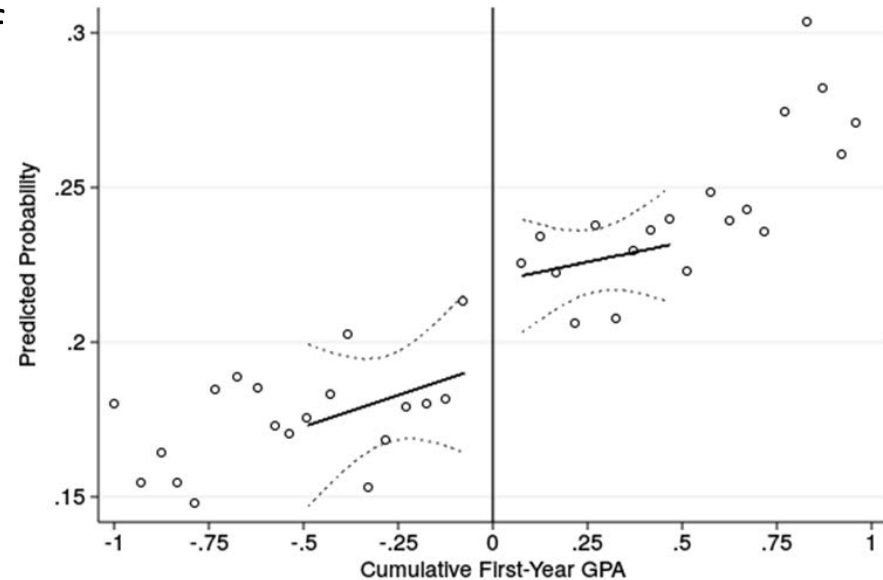
Methods

- Descriptive Statistics
 - Patterns of SAP failure for GPA and credit standards

- Leverage 2.0 GPA cutoff and two approaches:
 - Regression Discontinuity (RD)
 - Difference-in-Differences Approach (DD)

Methods

- Regression Discontinuity (RD)
 - Use GPA at end of year 1 to examine “discontinuity” at the cutoff
 - Compare subsequent enrollment and performance of Pell recipients above and below 2.0 cutoff



Methods

- Difference-in-Differences Approach (DD)
 - Compares patterns above and below 2.0 cutoff for Pell recipients *and* non-recipients
 - Determines effect of falling below cutoff for Pell recipients by comparing to students who are not subject to SAP standards

Methods

Pell		Non-Pell	
.463	Below	.561	Below
<u>-.578</u>	<u>-Above</u>	<u>-.636</u>	<u>-Above</u>
-.115	Diff for Pell	-.075	Diff for non-Pell

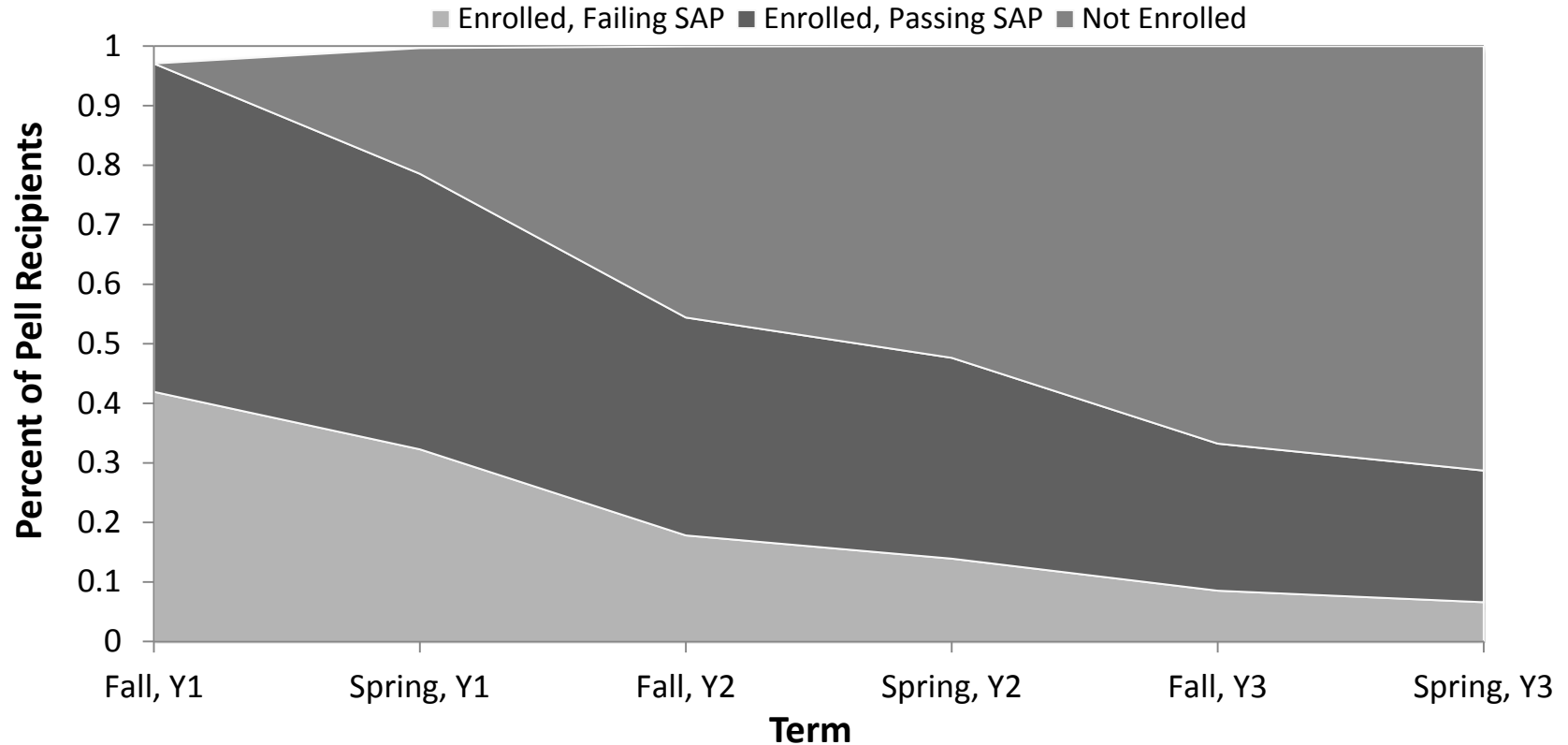
Difference of the Difference:

$$-.115 - -.075 = \mathbf{-.040}$$

Persistence into Year 2 Estimate

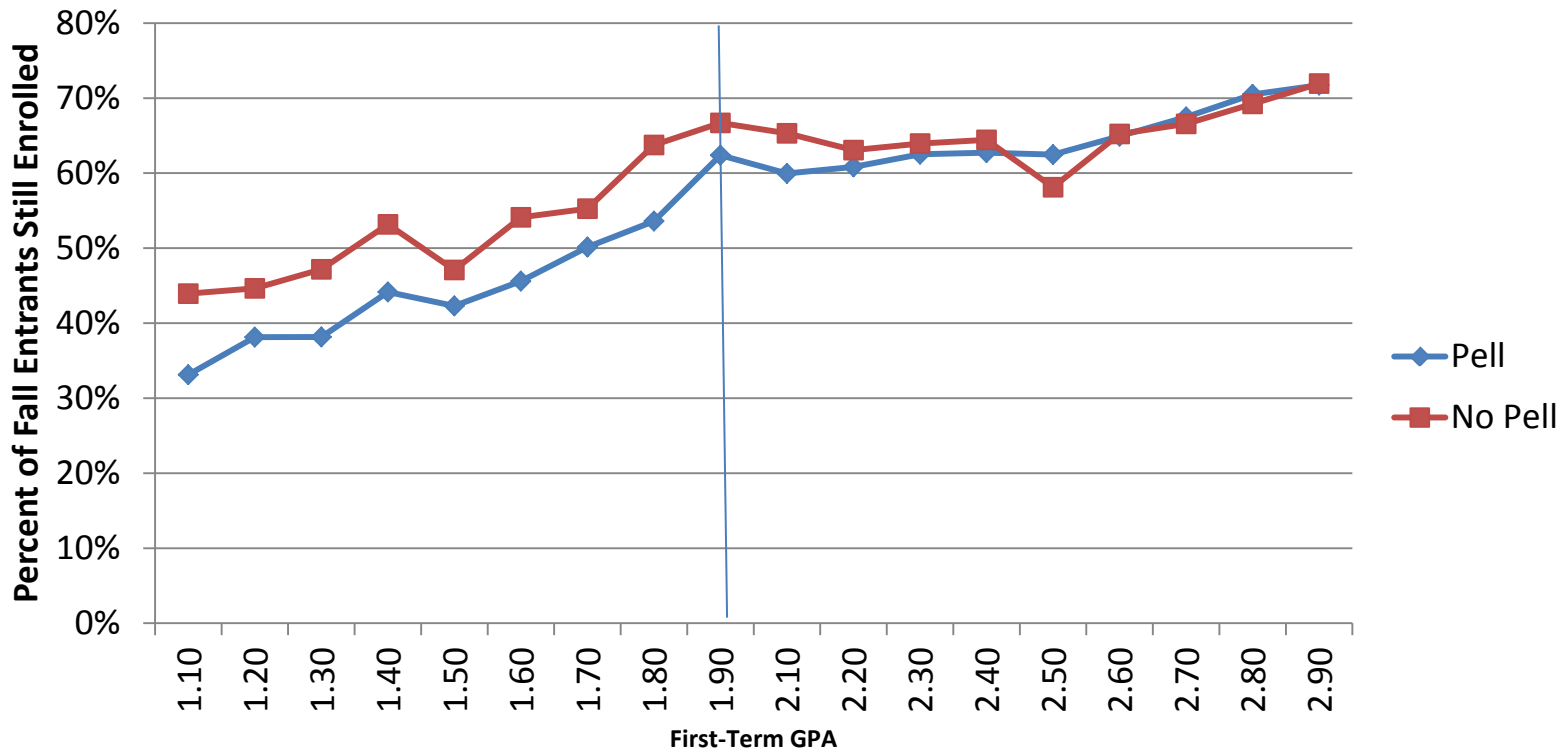
Results

Distribution of Pell Entrants by Overall SAP and Enrollment Status Over Time: State 1



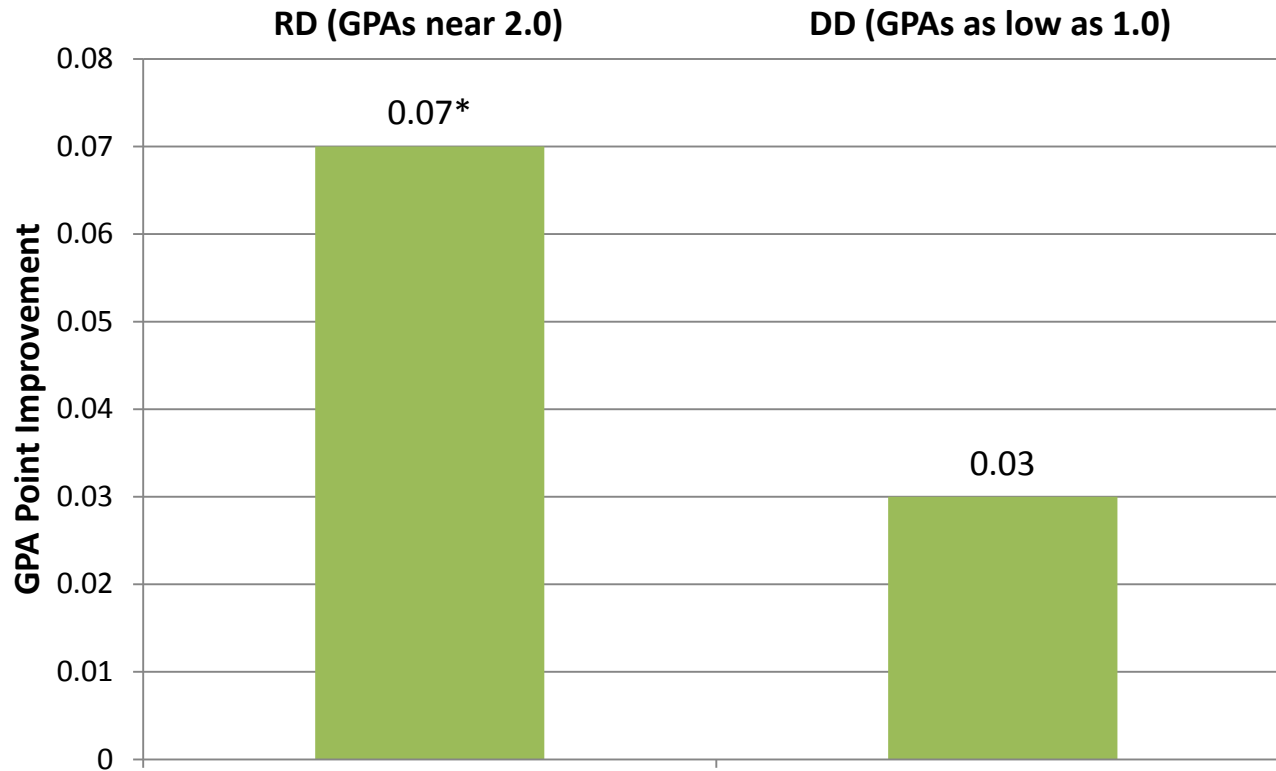
Based on Schudde & Scott-Clayton, 2016—results from State 1

Fall to Fall Persistence by First-Year GPA and Pell Status: State 1

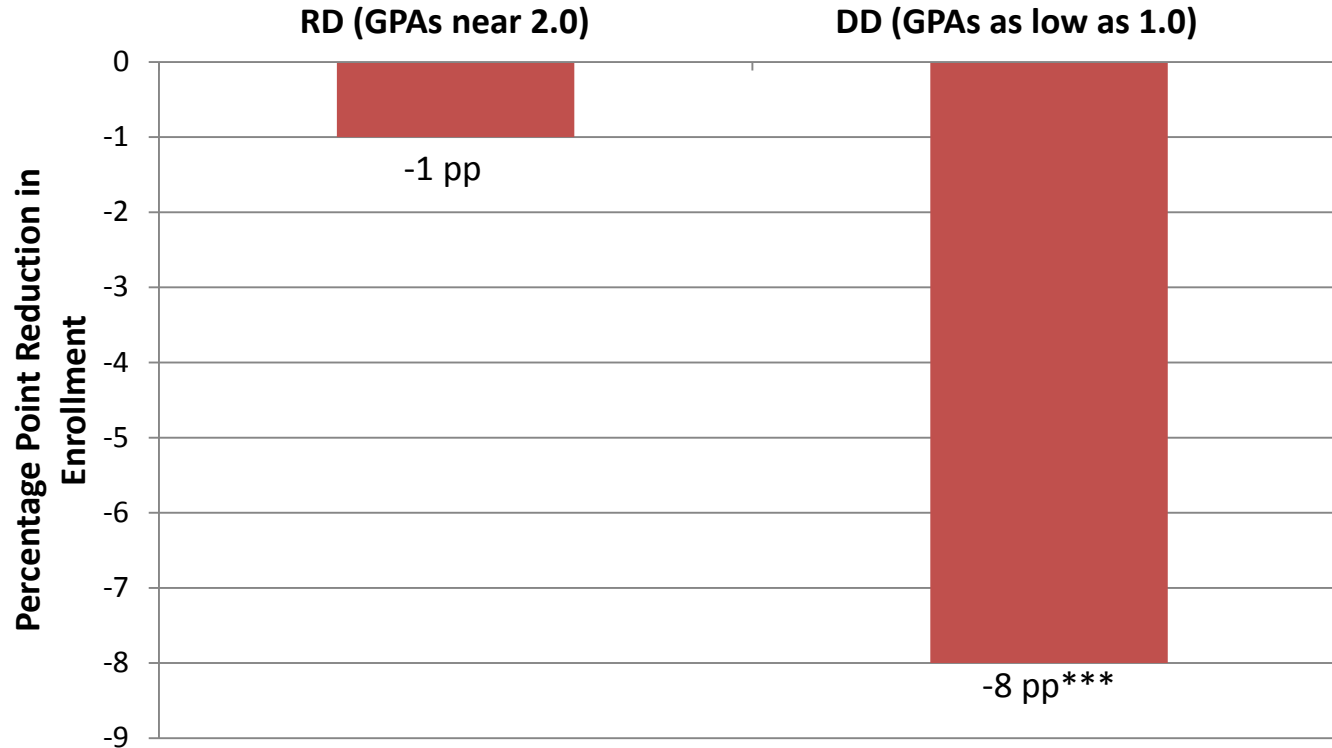


Based on Schudde & Scott-Clayton, 2016—results from State 1

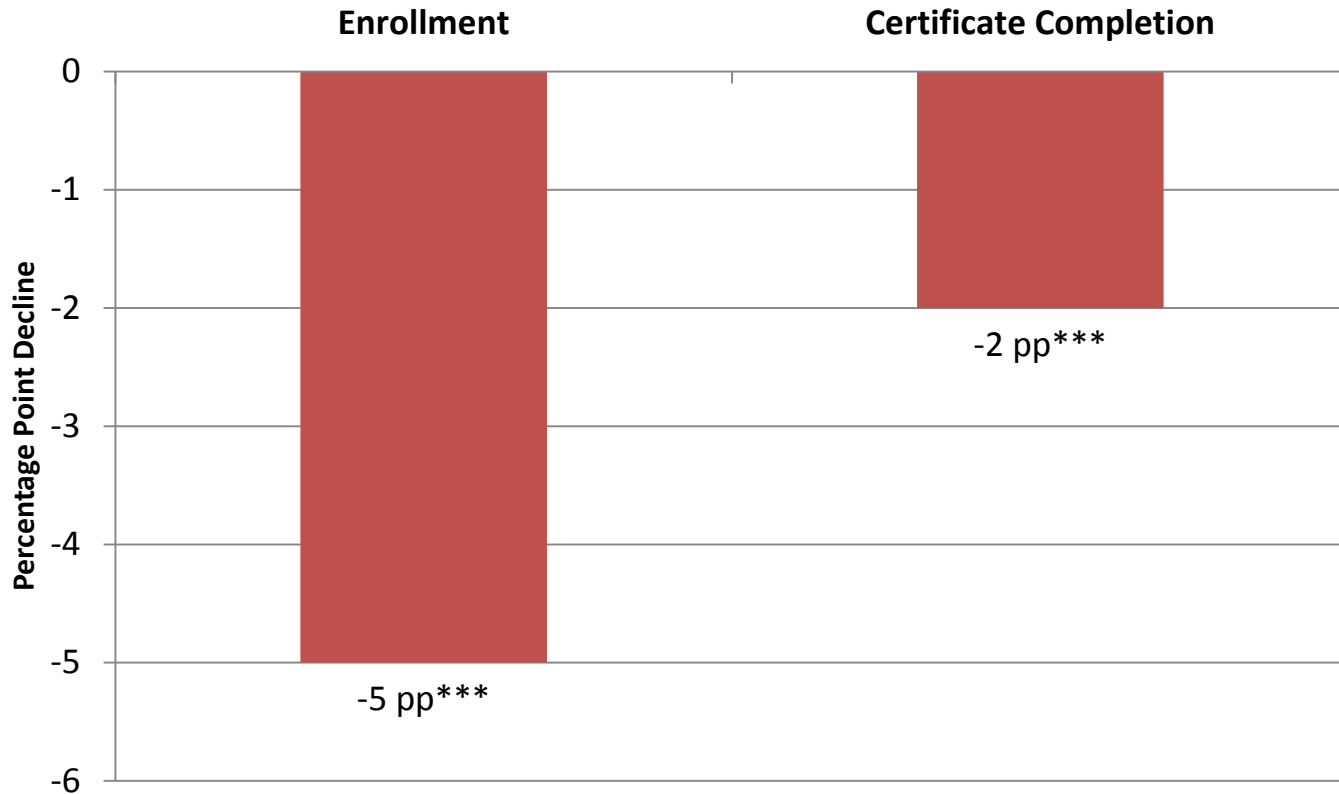
Impacts of First-year SAP Failure on GPA, Fall of Second Year: State 2



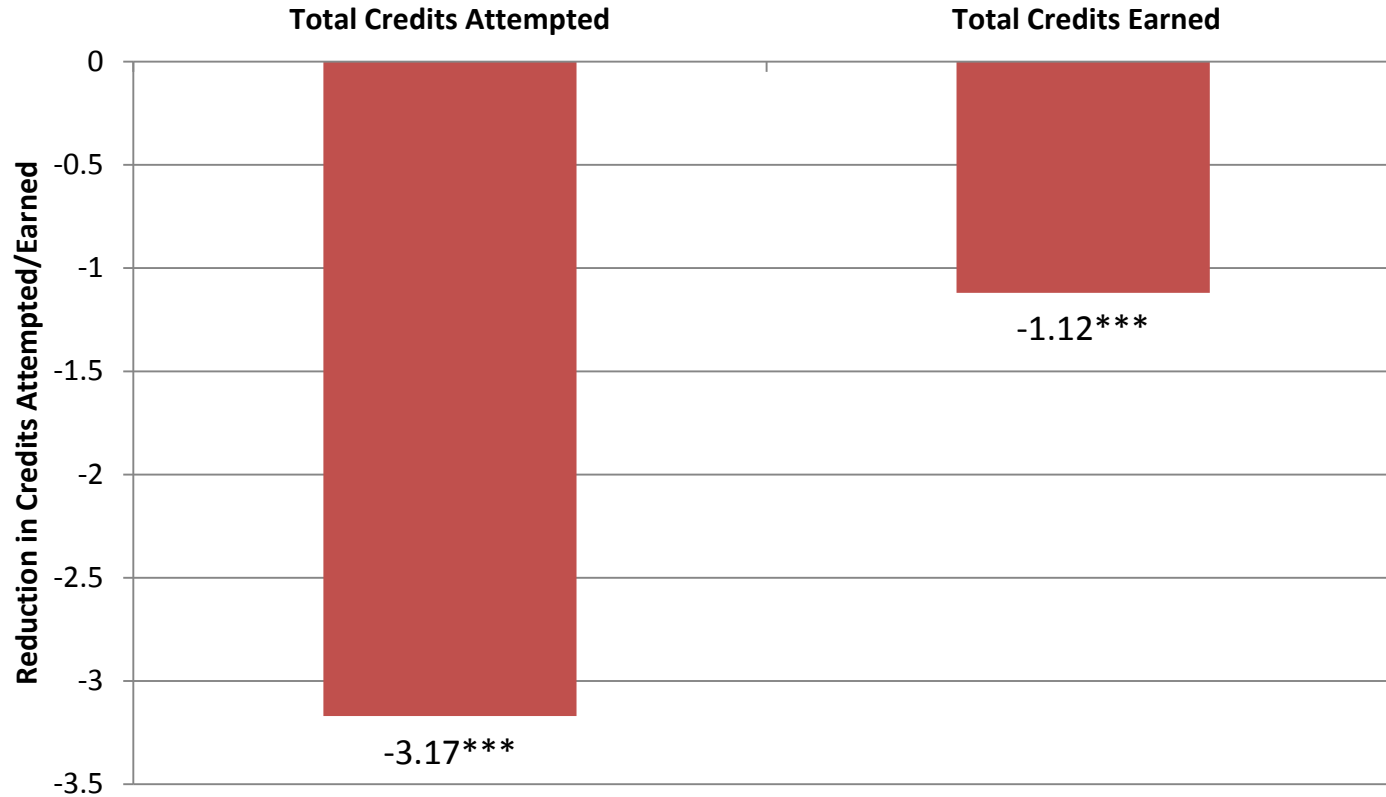
Impacts of First-year SAP Failure on Enrollment, Fall of Second Year: State 2



Impacts on Enrollment and Certificate Completion at End of Year 3: DD, State 2



Impacts on Credits Attempted and Earned at End of Year 3: DD, State 2



Discussion

- Efficiency vs. Equity
 - Makes aid more efficient
 - To the detriment of the neediest students
- Primary effect of SAP policy = punitive, not formative
 - Limits students access to aid
 - Does not incorporate adequate intervention to improve skills/performance
- Anecdotal evidence from administrators and aid officers: students do not learn about SAP until they lost aid
 - Are warning systems working? How can we optimize them?

Implications and Future Inquiry

- Proactive, early communication—before end of first term—could help students stay on track
- Improved coordination between administrative offices
 - Academic advisors and aid officers must communicate to stay informed about academic progress and aid status
 - Need stronger strategies to reach students and keep them informed
- SAP failure is quite high in four-year colleges as well
 - This is a widespread problem
 - Need more research to understand its impact in various settings

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