

## Bureaucracy and Burden: Understanding Variation in Take-up of Need-Based Aid

In the U.S., a number of welfare and social policies aim to alleviate poverty and inequality by providing access to education, housing, and income, among others. These programs are predicated on the idea that federal, state, and local governments can successfully distribute resources to those in need and that distributed resources will effectively aid in relieving social problems. While a long line of prior research has examined the allocation of resources in times when need far outstrips supply, comparatively less is known about how to account for a growing reality facing many social programs: a large number of eligible beneficiaries do not receive aid even when there are enough resources for them to do so.

Why don't people who are eligible for social safety net programs ultimately receive resources? Take-up rates – defined as the percent of eligible beneficiaries who actually receive resources – vary widely across U.S. social programs. One potential cause of low take-up is administrative burden. In the task of making policy, determining need, and distributing resources, the state may create hurdles that can hinder the ability of potential beneficiaries to access aid. These barriers then create an inconsistent safety net for families and individuals, who may not always know how to access available resources or even which resources they might be eligible to receive (Bell and Smith 2022).

This study examines how administrative burdens, front-line administrators, and other institutional structures interact to aid or hinder in the process of resource distribution. We examine these patterns by focusing on the case of the Tuition Incentive Program (TIP) in Michigan, the state's largest need-based college aid program. Scholarship programs such as TIP are a ubiquitous but uneven source of aid for low-income students, who face a number of barriers to college access in large part because of the rising cost of college (Goldrick-Rab et al. 2016; College Board 2023). For those eligible, TIP provides scholarships to cover tuition and fees for enrollment in a Michigan community college. Students are notified by mail as soon as they become eligible. In many cases, students are informed again near the end of high school when their counselors or a state outreach staff-member inform them of their eligibility. However, we know little about how many eligible students access this program and what mechanisms underlie rates of take-up. In this study, we examine the following research questions: *(1) What is the rate of TIP take-up and how does it vary across eligible students? (2) How do administrative burden, institutional environments, or institutional resources (such as school counselors) shape take-up?*

### Data and Methods

We leverage a large-scale mixed-method study to investigate the mechanisms that explain TIP take-up, including the administrative burdens and the role of street-level bureaucrats in shaping access to these programs. Our quantitative analyses leverage several administrative data linkages, including K-12 records, postsecondary records, and participation in state aid programs. We also leverage data from the Michigan Department of Health and Human Services on Medicaid enrollment in each month for all students in our sample to determine TIP eligibility.<sup>1</sup>

We conduct a descriptive analysis of TIP take-up using linked administrative and Medicaid records for every public-school student in the state of Michigan (n=1,179,599 students across 11 cohorts from 2011-2021). In doing so, we assemble a comprehensive assessment of the barriers facing TIP-eligible students, including deadlines and application requirements. The coverage of

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<sup>1</sup> Students who are enrolled in Medicaid for at least 24 months within a 36-month period between age 9 and the time they graduate from high school are eligible for the program, and eligibility is automatically determined by the department of Health and Human services

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the data also allows us to examine patterns across different regions of the state, different high schools, and variation across high school counselors and staff.

Our qualitative analysis is based on semi-structured interviews conducted with a sample of 40 high school counselors. Counselors were selected based on a purposive stratified sampling design (Merriam and Tisdell 2015). Interview transcripts were coded thematically by paper co-authors to develop a structured codebook, and then systematically coded by research assistants using MAXQDA. By comparing coded segments across counselors, we are able to identify the range of experiences within a given theme, develop an analytic template for each case to collect evidence for each hypothesis. These case synopses allow us to evaluate the depth of experiences and relevant context within a given case, and the range of experiences across counselors and schools. While not included in our formal analysis, our understanding of the programs and their administration are informed by 12 semi-structured interviews we conducted with key-informants involved in administering state financial aid.

### Findings

In spite of the fact that about one-third of students in the state are eligible for TIP, we find that the program has very low take-up: less than 29% of eligible community college enrollees receive TIP funding within two years of graduation. Further, only 14% of eligible high school graduates received TIP funding within two years of graduation, reflecting both very low take-up of the program and low college attendance overall for TIP-eligible students.

We also find that a complex matrix of forces are associated with take-up, illustrating that both program administrative hurdles and the front-line administrators who connect individuals to aid can be understood not as standalone hurdles or actors, but rather as a part of an intricate network shaping access to resources. Information appears to be particularly important, as students with early and consistent Medicaid enrollment or in environments with more TIP students have higher take-up rates. Students with early and consistent Medicaid enrollment tend to also be connected to other state safety nets (including TANF and SNAP), which may be indicative of both their broader connection to state aid processes, and also the ability to navigate the various requirements and deadlines associated with them. At the school-level, as signals of eligibility rise (i.e., as the fraction of TIP-eligible or low-income students increases), so too does the overall TIP take-up. Requirements and deadlines associated with the FAFSA and the TIP application modestly depress take-up, and timing of notification of TIP eligibility appears to be particularly important. Qualitative evidence emphasizes the FAFSA as a barrier for students, especially when FAFSA completion requires parent buy-in.

Further, we find that while counselors have no official role in administering this program, they play a key role in both reminding students of their TIP eligibility—or informing them for the first time—and helping students navigate access to the benefits they are entitled to. Through partnerships with the state, counselors can alleviate some of the burden on students. However, the role of counselors in communities has ballooned over the years, which means that overburdened counselors can sometimes serve as a bottleneck of information and support needed for students to access these essential resources.

Educational programs such as TIP provide a useful case study for understanding take-up and administrative burden, but our findings also relate to other programs where take-up is unexpectedly and inefficiently low. While we focus our results on TIP and the state of Michigan, these findings may also extend to the numerous other state-based scholarship programs specifically and to broader social programs generally (NASSGAP 2022).

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## Tables and Figures

**Table 1. Descriptive Statistics for the Quantitative Sample**

	Not TIP eligible	TIP eligible	Full sample
Female	50.40%	51.40%	50.70%
White	82.90%	65.70%	77.00%
Black	11.30%	27.30%	16.70%
Hispanic	4.20%	8.60%	5.70%
Asian-American	4.40%	2.90%	3.90%
American Indian or Alaskan Native	1.40%	2.20%	1.70%
Native Hawaiian or Other Pacific Islander	0.30%	0.20%	0.30%
Two or more races	1.50%	2.10%	1.70%
Immigrant status	0.00%	0.10%	0.00%
Fraction of K12 Observations with FRPL	20.30%	71.10%	37.60%
Total Months on Medicaid*	4.7	126.5	46.2
Total Months on TANF*	0.3	14.5	5.1
Total Months on SNAP*	2.3	77.4	27.9
SAT score	1041.2	924.9	997.7
ACT score	20.8	18	19.9
Receives special education services?	6.80%	11.70%	8.50%
Enrolled in a PSI Within 2yrs of HS Grad	78.20%	62.20%	72.80%
Enrolled in an In-State Public 2y PSI Within 2yrs of HS Grad	39.50%	37.70%	38.90%
Receives TIP Phase 1 Within 2yrs of HS Grad	1.50%	13.90%	5.70%
Total Amount of TIP Phase 1 Received Within 2yrs of HS Grad	\$72.83	\$696.50	\$283.16
Receives TIP Phase 2 Within 2yrs of HS Grad	0.10%	1.00%	0.40%
Total Amount of TIP Phase 2 Received Within 2yrs of HS Grad	\$0.56	\$7.31	\$2.84
Receives MTG Within 2yrs of HS Grad	2.87%	2.55%	2.76%
Total Amount of MTG Received Within 2yrs of HS Grad	\$77.39	\$69.14	\$74.61
Receives MCS Within 2yrs of HS Grad	8.37%	5.57%	7.42%
Total Amount of MCS Received Within 2yrs of HS Grad	\$110.49	\$73.52	\$98.02
Total Amount of State Aid Received Within 2yrs of HS Grad	\$272.98	\$858.58	\$470.47
Number of Cumulative Credits Earned Within 2yrs of HS Grad	17.8	11.8	15.8
Number of Cumulative Credits Earned Within 4yrs of HS Grad	51.8	31	44.9
Earned an Associate Degree Within 2yrs of HS Grad	1.98%	1.36%	1.77%
Earned an Associate Degree Within 3yrs of HS Grad	4.70%	3.67%	4.36%
Earned a Bachelor's Degree Within 4yrs of HS Grad	22.95%	8.72%	18.27%
Earned a Bachelor's Degree Within 6yrs of HS Grad	39.68%	18.45%	32.98%
N	778,008	401,591	1,179,599

Source: Center for Educational Performance and Information (2023).

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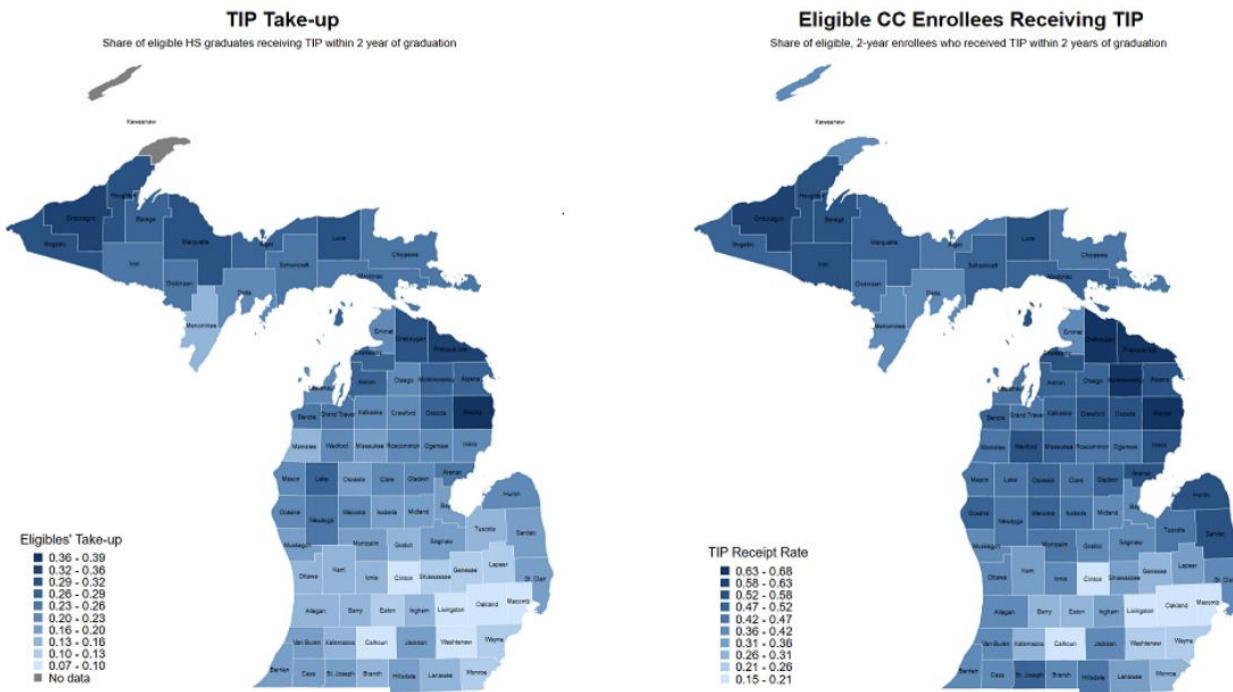
**Table 2. Descriptive Statistics for the Qualitative Sample**

	<b>Interviewed Schools</b>
Region	
Southeast Michigan	0.28
West/Southwest Michigan	0.23
East/East Central Michigan	0.23
Northern Lower Peninsula	0.10
Upper Peninsula	0.18
Urbanicity	
City	0.20
Rural/Town	0.48
Suburb	0.33
School Demographics	
Percent FRPL	0.49
Percent Black	0.11
Percent Hispanic	0.09
Percent White	0.74
Percent Other Race	0.03
Avg. Number of HS Grads (2023)	136
Avg. Number of TIP eligible HS grads (2023)	72
School has a Data Use Agreement with the state (2023)	0.92
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N	40

Notes: Characteristics of the schools that the counselor interview sample is employed at. Data from public-use data sources on school-level data and TIP participation.

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Figure 1. Distributions of take-up across the state.



Note: Sample is limited to high school graduates. Take-up is defined as receipt of TIP within 2 years of high school graduation.

Source: Center for Educational Performance and Information (2023)