

2021

The Challenge

Luisa, a single mother of two kids under six years old, was working and pursuing an associate's degree in accounting part-time when the COVID pandemic hit. With local childcare providers closed and cutbacks at work making her already hectic schedule even less predictable, Luisa made the difficult decision to take a "leave of absence" to focus on supporting her family. Today, over a year later, her degree remains incomplete, and she faces uncertainty about her professional future in a post-pandemic economy. Meanwhile, 19-year-old Alex has been cashiering at their local grocery store for the last 18 months. Like many of their senior classmates, they had applied and were accepted to a 4-year university just before the pandemic. With the uncertainty of their family's financial stability and the prospect of online-only learning, Alex decided to defer their education and opted instead to work on the frontlines and serve their community.

The COVID-19 pandemic has forced hundreds of thousands of students like Luisa and Alex to drop out or defer enrollment in colleges/universities nationwide. In Fall 2020, institutions of higher education saw deferral rates of up to 2.5%, an estimated 400,000 students. Low-income students and students of color were impacted most acutely, with students from families earning under \$75,000 per year twice as likely to "cancel all plans" of attending classes last year, and community college enrollment falling particularly sharply. These students face increased barriers with remote learning ranging from reliable access to broadband, to financial hardship due to unemployment, to increased caregiver responsibilities. If these trends continue, just 13% of low-income students will return to higher education, and even fewer will graduate. Thousands of students' opportunities for upward mobility through a postsecondary credential are at risk unless states act this year.

The Opportunity: ARP

The [American Rescue Plan \(ARP\)](#) provides states with critical resources to address barriers to student success. State higher education agencies may receive an infusion of funding and have an opportunity to deploy these dollars in a novel way - by contracting for services to re-engage and support students most affected by the COVID-19 pandemic. Historically, states have relied on advisors and coaches at institutions of higher education to engage and support students. Under this model, states will have the funds to contracting with proven nonprofit service providers focused on student access and success and specializing with working with low-income students of color. Deploying funding under this model provides a compelling alternative to hiring and training new staff using one-time federal funding.

Spotlight on Colorado



COLORADO
Colorado Opportunity
Scholarship Initiative



The Colorado Department of Higher Education (CDHE) is leading the way with this innovative approach. Prior to the passage of the ARP, the [Colorado Opportunity Scholarship Initiative \(COSI\)](#) at CDHE had already entered into an outcomes-oriented contract with evidence-based, nonprofit service provider, One Million Degrees (OMD) for the [Finish What You Started \(FWYS\) pilot program](#). The program aims to re-engage approximately 200 low-income, some college, no degree adults (at least 25+ years old) in Adams County, Colorado and provide targeted wraparound services to support them in completing a degree or certificate program. There is a particular emphasis on serving adults ages 25-34 who identify as Black/African American, Hispanic/LatinX, and Native American given the greater disparities faced by this demographic and the [Colorado Strategic Plan](#) goal to close equity gaps. The program is structured as an outcomes-oriented contract in which upfront funding for 100% of the cost of services is paid to the service provider OMD, along with bonus payments if students achieve agreed upon outcomes related to enrollment, persistence, and completion. Bonus payments are earned over time and reinvested into the project.

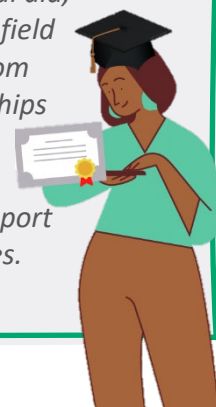
With the passage of [HB21-1330](#), signed by Governor Polis on June 29, 2021, COSI received \$48 million to expand FWYS statewide, allocating funding to all Colorado public institutions of higher education to provide direct and indirect support to students. Recognizing the scale of the challenges facing Colorado students and the unique opportunity presented by

ARP funding, COSI has expanded the target population for the program to include students like Alex, who were admitted to an institution of higher education but deferred undergraduate enrollment due to the pandemic. COSI has also prioritized equity in allocations by taking additional criteria into consideration such as location in a rural area of the state, total headcount enrollment and other characteristics unique to area technical colleges.

Public institutions of higher education have the opportunity to collaborate with One Million Degrees to co-create solutions that add value and capacity to existing efforts and institutional assets. Given the urgency of student aid, OMD's student-centered curriculum and program design is intended to accelerate institutional efforts to build, strengthen, and implement robust holistic student support strategies by Fall 2021, per the legislative mandate.



With this approach, Alex might arrive at their local library and find a tabling event where an enthusiastic OMD Student Success Navigator will talk to them about career goals, financial aid, free academic supports, and connect Alex with a volunteer working in their dream career field of nursing who offers real-world advice through ongoing coaching. Luisa gets an email from her former college inviting her to re-enroll and access full-family services beyond scholarships with an OMD Navigator. The Navigator might offer support re-applying, help securing aid and clearing her existing account balance, and accessing childcare, technology, and other resources. With this support, both Luisa and Alex return to school with concrete support to finish what they started and work towards a better life for themselves and their families.



Maximizing the Impact of ARP Dollars in Higher Education



While the scale and urgency of student needs requires that states move quickly, it is also critical that states set outcomes goals for ARP funding and center equity in the procurement process. CHDE's creative use of ARP funding to rapidly scale up re-engagement and completion support services statewide using an outcomes-focused approach could become a blueprint for other states seeking to focus resources toward improving outcomes in higher education. If your state has not determined ARP allocations yet, or if allocations have already been made, but there is still flexibility to determine exact uses, you might consider:

- **Using outcomes-focused contracts with service providers**
 - Outcomes-focused contracting creates an accountability mechanism to support large-scale, rapid deployment of funding via third-party service providers including setting clear outcomes goals and measuring performance.
 - If contracted providers deliver strong results, these outcomes-focused practices will build evidence that state higher education agencies can bring to their legislatures to pursue sustainable funding for student access and success services through appropriations or other means moving forward.
- **Incorporating equity considerations into allocations**
 - Center equity in the procurement process by defining a clear population focus, understanding the root causes of disparities along racial and other demographic lines, and contracting for services that meet the specific needs of low-income students of color.
 - Partner with organizations that specialize in working with low-income, first-generation, and/or students of color, who are most likely to have stopped out during the pandemic.
 - Adding equity criteria to allocations, such as number of students served with financial need (regardless of Pell-eligibility which can exclude students pursuing shorter-term credentials), can drive more funding to geographic areas or institutions that primarily serve low-income, first-generation, and/or students of color.
- **Capitalizing on the flexibility of ARP funding to coordinate with other agencies in your state**
 - Partnering with other state agencies and launching coordinated efforts can increase your reach and holistic impact on individuals and household.

If you are interested in learning more about Colorado's model or [how Third Sector can support your state](#) in maximizing the impact of ARP funding for student success, please reach out to Ilana Shushansky at ishushansky@thirdsectorcap.org.