Bureaucracy and Burden: Understanding Take-up of a Need-Based Financial Aid Program

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ABSTRACT

Social welfare programs, including college financial aid, often only reach a fraction of eligible beneficiaries. We examine this problem through the lens of Michigan's Tuition Incentive Program (TIP), a state need-based grant aid program. We conduct a large-scale mixed-methods study using data on over one million Michigan public-school students, and 55 interviews with front-line administrators, high school counselors, and financial aid staff. We find that while one third of Michigan high school graduates are eligible for TIP, its take-up rate is only 14 percent, diminishing its impact on college affordability. We identify key barriers that shape take-up: the presence of administrative burdens, and constraints faced by front-line administrators in alleviating these burdens when administrative responsibility is fractured and ill-defined.

Keywords: Financial aid, College Access, Administrative Burden

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INTRODUCTION

Government agencies in the U.S. distribute social welfare resources such as education, housing, and income to alleviate poverty and promote economic mobility. While take-up rates vary across social programs, low take-up is common. Extensive research has examined allocation of resources in times when need outstrips supply (McCabe, 2023; Zhang & Johnson, 2023). Less is known about the inverse problem: when resources are sufficient, but people don't receive the aid they are eligible for. States spent nearly $16.6 billion on college financial aid for the 2022/23 school year, with $10.3 billion allocated as need-based grant aid for low-income students who face persistent college access and completion barriers (Goldrick-Rab et al., 2016; Ma et al., 2024; National Association of Student Grant and Aid Programs, 2023). However, for these programs to improve college affordability, aid must reach those who need it most.

Research in behavioral economics has investigated several approaches to increasing take-up of social programs (Bhargava & Manoli, 2015; Currie, 2006; Finkelstein & Notowidigdo, 2019; Manoli & Turner, 2014); however, why so many benefits go unused remains an open question. This study extends this literature by examining low take-up in public higher education and uncovers key barriers and mechanisms that shape access to state financial aid. We examine Michigan's Tuition Incentive Program (TIP), the state's largest need-based college aid program, which about one-third of high school students are eligible for. For students who complete the required compliance steps and enroll in associate degrees or certificate programs at Michigan institutions, TIP provides scholarships covering tuition and fees. While most college financial aid programs rely on complex and opaque formulas using information from the Free Application for Federal Student Aid (FAFSA) to determine eligibility after application, TIP eligibility is categorical in nature. Eligibility depends primarily on the number and timing of months spent on

Medicaid in childhood, making it possible for students to know they have access to TIP prior to completing the FAFSA and applying to college.

In the 2021/2022 aid year, TIP provided over $70 million to Michigan students. However, little is known about program take-up and the complexities of its administration. To better understand who receives TIP benefits, we created a new data set linking individual-level administrative data from three state agencies: the Center for Educational Performance and Information, the Office of Higher Education in the Michigan Department of Lifelong Education, Advancement, and Potential (MiLEAP), and the Michigan Department of Health and Human Services. This individual-level dataset on all Michigan public high school graduates (n=1,084,116 students across 11 cohorts from 2011 to 2021) allows us to produce the first descriptive estimates of program take-up. We extend these descriptive analyses using 55 semi-structured interviews with front-line administrators across relevant bureaucratic systems, including high school counselors, state program staff, and financial aid staff, to uncover barriers to aid access and to understand how and why these constraints occur. Together, these analyses provide a comprehensive account of the mechanisms that condition TIP take-up.

Despite TIP's widespread availability and relatively simple design, we find that only 14 percent of eligible high school graduates receive TIP funding within two years of graduation.[1] To receive TIP, however, students must enroll at a qualifying institution.[2] Even among those

[1] In the TIP context, "eligibility" refers to students who participate in Medicaid for 24 months within a 36-month period, while "qualified" refers to eligible students who meet the requirements to receive funds, such as completing the FAFSA and enrolling in a qualifying program for a specific time period.

[2] While most TIP dollars go to community colleges, some four-year colleges in Michigan offer associate degree programs which qualify for the full TIP benefits. Further, TIP also allocates some funds for four-year degrees after students complete the equivalent of two full-time years of college.

students who enroll at an in-state community college—where TIP can be used for tuition—only 30 percent receive TIP funding within two years of high school graduation. We identify key barriers that play a significant role in shaping take-up. First, early notification is only useful if that information reaches individual students in ways that they can understand. Both the message and the messenger matter for getting information to students, and when front-line administrators are unaware of a students' eligibility, they cannot help them access aid they are entitled to. Second, students with early and consistent Medicaid enrollment, and students in schools where there are higher numbers of TIP-eligible students, have higher take-up. Third, we find that completing the FAFSA poses a barrier for TIP-eligible students in accessing aid, even though the FAFSA itself does not contain information necessary for determining eligibility. Finally, we identify several administrative barriers that are outside the control of students and the high school counselors that support them.

Overall, we find that front-line administrators serve as advocates, providing an important bridge between individual students and aid programs and lessening the pressure of administrative burden on students. Our interviews show the many hurdles that front-line administrators must navigate and overcome in order to connect students to TIP aid; these results shed light on the intricacies of policy implementation and the various responsibilities of administrators who try to manage them. This mixed-methods study builds on prior work on take-up of social programs by illustrating that both administrative burdens 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. Indeed, only by examining both administrative burdens on the one hand and front-line administrators on the other can we fully understand the problem of low program take-up. While we focus on a financial aid program in the state of Michigan, these findings may also

extend to the other need-based scholarship programs that exist in nearly every U.S. state and many other social programs generally.

THEORETICAL FRAMEWORK

Extensive research has examined how policymaking and policymakers shape access to social programs (Currie, 2006; Ebenstein & Stange, 2010; Herd & Moynihan, 2019; Ko & Moffitt, 2022; Lipsky, 2010; Page et al., 2020). This research identifies two key mechanisms that explain how program implementation affects access: administrative burden and front-line administrator discretion.

Administrative burden refers to the barriers individuals face to accessing the means-tested programs they are eligible for.[3] This includes the applications, requirements, and deadlines ("compliance costs") as well as the informational barriers ("learning costs") and social stigma ("psychological costs") associated with receiving government benefits (Herd & Moynihan, 2018). Program requirements are policy choices designed to verify need and organize distribution, but they can prevent vulnerable individuals from applying for and receiving funds (Daigneault et al., 2025; Deshpande & Li, 2019; Figlio et al., 2015), especially those most in need of aid (Bertrand et al., 2004; Finkelstein & Notowidigdo, 2019). Consequently, individuals and families may be unaware of available aid or face obstacles accessing it. When programs reduce these barriers, take-up increases (Barr & Turner, 2018; Bhargava & Manoli, 2015; DeLuca et al., 2023; Hopkins & Dorion, 2024; Manoli & Turner, 2014). Universal programs like

[3] Most social benefits require two steps. First, an individual must be eligible for benefits based on criteria set by policy or program administered. In the case of SNAP, for example, households are eligible based on a combination of household size and income resources. Second, an eligible individual must complete steps to qualify for benefits. In the case of SNAP, this includes application and verification steps, as well as certain work requirements. The gap between eligibility and qualification (and ultimate benefit receipt) represents take-up.

Social Security, which have fewer barriers, achieve nearly 100 percent take-up rates, reflecting the steep cost of administrative burden (Herd & Moynihan, 2018).

Federal and state grant aid in higher education is no exception. To receive means-tested aid like Pell Grants (Pell), students must complete the Free Application for Federal Student Aid (FAFSA), which until recently contained more questions than an average tax return and required disclosure of complex financial information (Dynarski & Scott-Clayton, 2007). Unlike tax returns, which are prepared by income earners themselves, FAFSA applications burden students with documenting their parents' finances—information students may not know or understand—including family income, debts, and ability to pay for college.

As a result, the FAFSA creates a major barrier to college access (King, 2004; Kofoed, 2017; Page et al., 2020). Studies estimate that FAFSA non-completion causes college students to forfeit over $5 billion in financial aid annually (Kofoed, 2017).[4] FAFSA completion assistance helps reduce barriers to aid: a randomized experiment offering help with the FAFSA to low-income families receiving tax preparation assistance significantly increased submissions and improved college attendance and persistence (Bettinger et al., 2012). However, information-only nudges do little to increase FAFSA completion and take-up of other social benefits when not paired with an offer of assistance (Bird et al., 2021; Page et al., 2023).

The FAFSA creates additional burdens through multiple state and institutional deadlines, which can reduce available aid if forms aren't submitted on time (King, 2004). Beyond the FAFSA, other administrative burdens affect students' likelihood of receiving aid. Students and

[4] The system's complexity became evident during recent simplification efforts: the 2023-24 FAFSA rollout delayed financial aid notifications by months, causing completion rates to plummet and likely reducing college attendance among low-income students (Binkley, 2024).

families often wait months to learn about eligibility for various financial aid programs, creating uncertainty about college costs and attendance feasibility. While state need-based aid requirements vary by program, they typically require separate applications, documentation to prove need and eligibility, and other complex procedures.

These factors underscore the importance of *front-line administrators*—the civil servants who are responsible for connecting individuals and families to programs they are eligible for—in shaping access to aid. Scholars have long studied how these "street-level bureaucrats" exercise discretion over resource distribution while managing work constraints. Because many social programs—including educational programs—are administered in a decentralized manner, individual administrators make key policy decisions about categorizing need and prioritizing cases (Sirois, 2023; Watkins-Hayes, 2009; Zhang & Johnson, 2023). These individuals become critical junctures in policy implementation. In decentralized systems, front-line administrators' roles can be ambiguous. Watkins-Hayes (2009) found that welfare caseworkers' professional identities shape their approach: some functioned as "efficiency engineers" who guide and enforce regulations, while others act as social workers who support clients holistically, helping with both professional and personal barriers. Therefore, to understand the impact of administrative burden on impact, we must examine the role of administrators.

In education, front-line administrators at both high school and postsecondary levels shape student outcomes. School counselors particularly influence college-going outcomes (Mulhern, 2023; Sattin-Bajaj et al., 2018; Stephan & Rosenbaum, 2013), though they vary in their ability to navigate administrative burdens facing themselves and their students (Bell & Smith, 2022). Counselor access is stratified by school income levels (Blake, 2020) and the nationwide average ratio of students to school counselors was 376 to one during the 2023/2024 school year, well

exceeding the American School Counselor Association's recommended ratio of 250 to one (American School Counselor Association, 2024). Like other front-line administrators, counselors have ambiguous roles: they serve simultaneously as college advisors, compliance officers, academic support, and social-emotional resources (Blake, 2020; Sattin-Bajaj et al., 2018). These structural and resource constraints limit their ability to assist students (Blake, 2024; Sattin-Bajaj et al., 2018). Despite constraints, some counselors expand their roles to connect students with aid and college opportunities (Sattin-Bajaj et al., 2018). Given FAFSA complexity, counselors often help students complete applications while navigating intricate institutional, state, and federal deadlines (Billings et al., 2022). Though they lack discretion over aid decisions, they serve as key touchpoints for students seeking college financing. At the postsecondary level, financial aid officials interpret policy when they make decisions about allocating and packaging aid, with direct impact on students' ability to access resources.

Empirical Case: Michigan's Tuition Incentive Program

Introduced in 1987, TIP now funds over 30,000 students annually. Eligibility for this *first-dollar* scholarship program is based on participation in Medicaid during childhood. Many state and local scholarship programs are last-dollar, meaning they only cover tuition not already covered by other aid. In a last-dollar context, students eligible for both state aid *and* Pell will not see any state dollars unless they have unmet tuition fees after Pell has been applied. First-dollar programs get applied to tuition first, freeing up other, more flexible aid (such as Pell) to be used for costs including housing, books, transportation, and food.[5]

[5] There are a few other first-dollar scholarships that can be applied before TIP, including some institutional and place-based aid which are relatively uncommon. TIP being applied before the Pell grant is what distinguishes it from most other free college plans, so we refer to it as first-dollar throughout.

Students who are enrolled in Medicaid for at least 24 months within a 36-month period between age 9 and high school graduation are eligible for the program, and eligibility is automatically determined by the Michigan Department of Health and Human Services.[6] Eligibility lists are relayed to the state team[7] that administers financial aid programs, who then notify students of their eligibility. This office also works directly with higher education institutions when making financial aid awards. Since 2013, Office of Student Aid (now the Office of Higher Education) has employed outreach staff tasked with brokering connections with high schools and institutions of higher education.[8]

TIP has many features of what is considered a model free-tuition program. Eligibility is determined based on existing administrative data, rather than relying on students' verification of need. TIP is first-dollar and covers tuition and fees at the in-district rate, providing certainty to students about program coverage. Students do not need to recertify their eligibility each year but can instead count on TIP for the duration of their studies. Students are notified early (as soon as they become eligible), allowing them to make informed decisions about postsecondary education with knowledge that they have a *free* option. Because the program is written into legislation, it

[6] Medicaid eligibility is based on family income, with families earning less than 212% of the federal poverty level eligible (plus other categorical criteria). Students must also be a Michigan resident (based on postsecondary institutional criteria), receive a high school diploma or equivalent prior to age 20, be a US citizen or permanent resident or refugee, and not have defaulted on a federal student loan to be eligible. For simplicity, we focus on the Medicaid component of eligibility, as this is the most binding.

[7] Until recently, this work was done by the Michigan Office of Student Aid (MI Student Aid) located in the Michigan Department of Treasury. In recent years, this office has been renamed the Office of Higher Education and is now located in the newly formed Michigan Department of Lifelong Education, Advancement, and Potential. However, given the timing of our study, we continue to refer to this office as "Office of Student Aid."

[8] Since 2013, the outreach team has expanded from one staff-member to a team of 10, including six staff-members working directly with schools across the state.

has weathered shifts in administrative priorities over time, providing an opportunity to evaluate how such a program operates on the ground.

Despite its seemingly simple design, TIP allows us to examine the roles of administrative burden, program administrators and school counselors, and the overarching influence of institutional environments on take-up. There are several potential administrative hurdles that could affect TIP take-up, including the FAFSA, which students must file to receive TIP even though the FAFSA is not used to verify need. Prior to 2021, students were also required to file a separate TIP application by August of their high school graduation year. Students are notified as early as age 11, which presents both an opportunity and a potential administrative challenge. Early notification may steer students towards college pathways—learning early in one's schooling career that college will be free might guide students towards pathways they may not have otherwise considered. However, if notification is too early, it risks being forgotten. Similarly, if notification comes too late, students and their families may not have time to take TIP funding into account when making college plans or deciding whether to go to college at all. Importantly, administering TIP involves several bureaucratic sites responsible for information sharing, verification, and administration of aid. These sites, and the administrators that work within them, will be the focus of our analyses.

DATA AND ANALYTIC STRATEGY

This study employs a convergent mixed-methods research design, meaning the qualitative and quantitative methods build on and inform one another throughout the course of the study. We initially collected and analyzed data using exclusively quantitative methodology, which is common in convergent designs (Creswell & Plano Clark, 2018), but subsequent cycles of analysis oscillated between the two methodologies in parallel, in a "double helix" framework

(Mendlinger & Cwikel, 2008; Reckhow et al., 2021). Both analytic approaches to documenting and understanding program take-up were informed by interviews with policy leaders, program staff, and the front-line administrators who interact with both the policy system and prospective program beneficiaries. The quantitative analysis and qualitative data collection and analysis occurred in tandem, allowing for iterative hypothesis development and testing. For clarity, we present these methodological approaches separately below.

Administrative Data

Our quantitative analyses use several linked administrative datasets at the student and school levels. We use administrative data from the Michigan Department of Education (MDE) and the Center for Educational Performance and Information (CEPI) on all Michigan public school students and schools since 2003. This dataset includes full K-12 educational records: test scores, attendance, and demographic measures (race/ethnicity, gender, and free-lunch eligibility). We paired this data with postsecondary enrollment and degree records from CEPI and the National Student Clearinghouse (NSC). To measure TIP participation, we use data from the Michigan Department of Lifelong Education, Advancement, and Potential (MiLEAP) on participation in all state-administered aid programs, including TIP participation and dollar amounts received. We also obtained data from the Michigan Department of Health and Human Services on monthly Medicaid, TANF, and SNAP enrollment for all students in our sample.

We estimate eligibility based on whether an individual has been on Medicaid for at least 24 months within any continuous 36-month window from age 9 until high school completion.[9] Finally, we merged additional school- and community-level characteristics, including location,

[9] We do not incorporate the other eligibility criteria (residency, loan default) so our estimated eligibility is imperfect.

size, number of counselors, and whether schools have data sharing agreements that permit counselors to access aid eligibility information for their students in 2019/2020.

We limit analyses to students who graduated from Michigan public schools between 2010 and 2021; each cohort includes approximately 100,000 students. Table 1 presents descriptive statistics for the student-level sample, with columns showing averages for the full sample, TIP-eligible students, and TIP-ineligible students. Our full sample includes 1,084,116 students across 11 cohorts, of which approximately 34 percent are TIP-eligible (n=365,623).[10] Our main outcome is receipt of TIP aid within two years of high school graduation.[11]

TIP-eligible students disproportionately face economic disadvantage compared to the state average: they spend an average of 83 months on Medicaid from the age of 9, 15 months on TANF, and 77 months on SNAP during childhood, compared to 2 months on Medicaid, 0 months on TANF, and 2 months on SNAP for TIP-ineligible students. Additionally, TIP-eligible students spend approximately 71 percent of their K-12 years eligible for free or reduced-price lunch (FRPL) compared to just 20 percent for TIP-ineligible students. Consequently, TIP-eligible students have lower college enrollment rates (62 percent) compared to ineligible students (78 percent).

[Table 1]

[10] A small number of students who appear TIP-ineligible are observed receiving TIP. This could result from errors in the matching procedure used to link data sources or appeals/petitions related to eligibility that we do not observe.

[11] We specify a two-year timeframe to maintain consistency with prior literature analyzing college enrollment and to evaluate take-up within a consistent timeframe for individuals graduating across more than 10 years.

Quantitative Analysis

We examine take-up using a series of descriptive figures and tables, along with school-level regression models that examine the role of different attributes on take-up patterns. We estimate models that take the following general form:

$$y_{jk} = a + S_j\lambda + \pi_k + \varepsilon_{jk} \qquad (1)$$

The outcome y_{jk} is the school-level rate of take-up in cohort k among students who were eligible for TIP and who enrolled in college. S_j is a vector of school-level characteristics, including school demographics, institutional characteristics such as enrollment, and school academic characteristics.Though we focus our outcome only among TIP-eligible students, we use school characteristics that encompass both TIP-eligible and TIP-ineligible students, as the characteristics of non-TIP-eligible students—as well as those who do not enroll in college—may still impact take-up rates. π_k is a cohort fixed effect. Finally, our preferred take-up measure for regression analysis conditions on students that enrolled in a Michigan community college, so as not to confound take-up with enrollment differences across groups. However, our findings are similar if we use the broader (unconditional) measure of take-up.

Qualitative Data

Our qualitative analysis draws on semi-structured interviews with professionals responsible for administering the TIP program at each level: the state of Michigan's Office of Student Aid (now Office of Higher Education), high school counselors, and financial aid offices at two- and four-year institutions. We also conducted interviews with key informants—including policy elites, elected officials, and state higher education policy leaders—who provided essential background information about the program's design, history, and administration over time.

While we do not include these interviews in our formal analysis, they informed our understanding necessary to conduct these analyses.

Our analysis sample includes interviews with all eight staff members in the Office of Student Aid responsible for outreach to students, families, and high schools about TIP and other financial aid programs. We also interviewed 40 school counselors from high schools across Michigan and financial aid specialists at seven postsecondary institutions. Sampling and recruitment for the latter two groups are described below.

We recruited school counselors using a stratified sampling design with purposive groupings (Merriam & Tisdell, 2016). This strategy ensured balance on key high school characteristics to capture the range of experiences typical of advising students about college access and affordability in Michigan, rather than maximum variation of schools with rare characteristics. We excluded non-public schools, virtual-only schools, early middle college schools[12], and schools with no TIP-eligible graduates. We also excluded the smallest quartile of schools by enrollment. We stratified the remaining 505 high schools across 12 groups using three variables: below- and above-median Black or Hispanic enrollment, the school's urbanicity; and below- and above-median TIP take-up. We interviewed at least two schools within each of our 12 strata and conducted a secondary oversample of schools in northern lower-peninsula and upper-peninsula regions that were underrepresented in our original sample. This resulted in a total sample of 40 high schools.

The counselor interview sample is described in Table 2 (counselor-level descriptives) and Table 3 (school-level descriptives). Characteristics in Table 2 are self-reported by the participant.

[12] E*arly middle college* schools exclusively offer five-year degree programs where students receive their high school diploma and their associate's degree concurrently and are therefore not typically eligible for Phase I of TIP.

Thirty-eight percent of interviewed counselors are either the only counselor in their school or served as a counselor-like figure in schools without certified counselors. Eighty-three percent of interviewed counselors are women, and 85 percent are White. Interviewed counselors work in schools across Michigan: 48 percent in northern Michigan, 33 percent in southeast Michigan, and the remainder in mid- and western Michigan. These schools serve populations that are, on average, 49 percent eligible for free- or reduced-price lunch, 11 percent Black, 9 percent Hispanic, and 74 percent White. Table 3 compares these schools to all Michigan public high schools, as well as the sample of 505 schools recruited from.

[Table 2; Table 3]

We also conducted semi-structured interviews with financial aid specialists at seven institutions with programs eligible for TIP Phase I. These institutions included public community colleges and the Michigan public four-year institutions that offer unique opportunities for students to leverage TIP Phase I by enrolling in associate degree programs with seamless transitions into bachelor's degree programs. We calculated institution-specific take-up rates among first-year TIP-eligible students enrolled in qualified programs, then recruited staff members from at least two institutions in each stratum: low-, middle-, and high-take-up.

Table 4 describes the institutions where these financial aid staff work. This table compares with all Michigan public institutions that have programs that qualify for TIP Phase I, including 28 public community colleges and four predominantly four-year institutions offering associate degree programs. The staff we interviewed were in positions with responsibility for administering state financial aid programs and worked at institutions that served an average of 366 TIP-eligible students per high school cohort (relative to a state-wide average of 379). Institutions were distributed throughout the state, including northern, central, western, and

southeast Michigan, and interviewed institutions had similar average Pell Grant receipt and proportion of students who are first generation college students to institutions statewide. While not represented in a table, the eight outreach staff members from the Office of Student Aid represented each of the four outreach regions across the state.

[Table 4]

We interviewed program staff, counselors, and financial aid staff using semi-structured protocols designed to allow interviewers to take a secondary role in conversations led by those with the most relevant experience (DeLuca et al., 2016; Lareau, 2021). From recruitment through interview completion, participants understood that this project was not an evaluation of their work and that our reporting would not identify them or their institutions. This approach resets the power dynamic to position participants as experts and researchers as students, empowering participants to share honest experiences rather than responses they believe interviewers want to hear (Lareau, 2021). The interview protocols therefore center participant expertise.

The school counselor protocol covers the counselor's role in the school; additional support for student advising; approaches to advising students about postsecondary options; knowledge of TIP and advising TIP-eligible students; and barriers to college access generally and TIP access specifically. We also asked counselors to describe their school, postsecondary pathways, and community context. The financial aid staff protocol covers their knowledge of TIP, processes for packaging aid and advising students, and barriers they observe to students accessing financial aid they are eligible for. Like counselor interviews, financial aid specialist interviews centered practitioner expertise and covered aid packaging processes, office staffing structures, experience interpreting and implementing state aid, and program navigation

challenges. Participants received a $50 incentive for participation. Interviews were audio recorded and transcribed verbatim by trained transcription professionals.

Qualitative Analysis

The qualitative analysis is iterative. Throughout the interview process, the interview team met regularly to discuss emerging themes and remaining questions. We began with thematic analysis of interview transcripts to develop hypotheses and a structured codebook based on overarching themes. We then systematically coded each transcript using MAXQDA, meeting regularly throughout the coding process to calibrate techniques and add in-vivo codes as they emerged. Research assistants not involved in the thematic analysis coded a subset of interviews as a reliability check.

Using relevant coded segments, we identified support for hypothesized mechanisms contributing to TIP take-up and college attendance among eligible students and identified additional emerging hypotheses. We completed analytic synopses of each case to identify evidence—or its absence—for each hypothesis. Analysis of individual case synopses helped us understand circumstances that may contribute to findings in specific contexts. Cross-case analysis helped us understand the heterogeneity and prevalence of our findings. Most synopses were completed by research assistants who were neither interviewers nor coders, with several completed by two separate individuals as a reliability check. Names in the text are pseudonyms either chosen by the participant themselves or chosen by the interviewers if the respondent declined to select their own.

FINDINGS

Approximately one-third of all Michigan high school graduates are eligible for TIP based on their Medicaid enrollment during childhood. Eligibility rates are higher in recent cohorts

compared to earlier ones, likely due to changing state-level economic conditions and recent Medicaid expansions. However, we find that only 14 percent of TIP-eligible Michigan high school graduates receive TIP aid within two years of completing high school (see Table 5). Perhaps tellingly, this low take-up rate was not previously known to the state because the data linkages required to compute it were not in place historically.

[Table 5]

The optimal unconditional take-up rate is unclear. Low take-up reflects not only administrative barriers to accessing funding but also low enrollment in qualifying institutions. Among TIP-eligible students in our sample, 38 percent enroll in qualifying community college programs within two years of high school graduation. Students who enroll directly in bachelor's degree programs (23 percent), out of state, or at ineligible institutions. Additionally, 38 percent of TIP-eligible students do not enroll in any college within two years.

College entrance patterns among TIP-eligible students tell only part of the story: among the 38 percent who attend community college, only 30 percent receive TIP funding. This finding is surprising. TIP is a *first-dollar* tuition scholarship, meaning eligible students who enroll in qualifying programs should receive TIP to cover tuition.[13] While the optimal unconditional take-up rate remains unclear, it is puzzling that 70 percent of TIP-eligible students who enroll in qualifying programs do not receive this first-dollar scholarship, effectively leaving money on the table.[14] For the remainder of the analyses, we focus on take-up among eligible students who

[13] As described earlier, there are a few forms of aid that are packaged before TIP to pay for tuition. These programs are relatively infrequent so cannot explain the low take-up among community college enrollees that we document.

[14] Students not enrolled in at least 6 credits are also not eligible, but this only explains a small part of the remaining gap and failure to enroll at least part-time we view as one of the ways that low take-up materializes.

attend community college to unpack this result and understand the administrative processes driving incomplete take-up. Figure 1 illustrates TIP eligibility and take-up (both unconditioned and conditioned on community college enrollment) over time. As shown, conditional take-up has improved modestly over time, possibly due to state efforts to improve take-up among TIP-eligible students.

[Figure 1]

We first describe the distribution of take-up rates across Michigan, then examine potential explanations that predict take-up, including various sources of administrative burdens and bureaucratic hurdles students face. We then use school-level regressions to illustrate characteristics associated with take-up, paying particular attention to the role schools and counselors play in shaping take-up patterns.

Descriptive Patterns of TIP Take-Up in Michigan

Take-up rates are generally similar by race and gender (see Table 5). Women have slightly higher take-up rates than men, and Asian students have slightly lower take-up than Black, Hispanic, and White students.[15] Perhaps counterintuitively, both unconditional and conditional take-up rates tend to be higher among students with greater economic disadvantage. For example, among TIP-eligible students, those with poverty ratios (the fraction of K-12 observations where a student is eligible for free- or reduced-price lunch) above the median have higher conditional take-up rates (37 percent) relative to those with lower poverty ratios (24

[15] Lower take-up among Asian students may be due partly to smaller sample sizes generating a more noisy rate, as less than 3 percent of TIP-eligible students identify as Asian.

percent). Similarly, students with above-median Medicaid enrollment have higher conditional take-up rates (36 percent) than those with lower Medicaid enrollment (25 percent).

Importantly, Table 5 includes only TIP-eligible students, so these patterns account for differences in the likelihood that a given student will be eligible for TIP. These basic tabulations provide our first clue that more disadvantaged students might have better information about their TIP eligibility than eligible students who are slightly less disadvantaged. Conversely, we observe significant geographic variation across the state. Michigan is geographically diverse, including rural districts in both peninsulas as well as urban and suburban districts in the lower peninsula. Figure 2 reports the distribution of conditional take-up rates across the state, illustrating wide variation across geographies. Table 6 reports take-up rates at the high school level by school characteristics. Rural schools have the highest average take-up rate at 45 percent (conditional on college enrollment), while suburban high schools have the lowest average rate (28 percent, conditional on college enrollment). Take-up is generally lowest in the Southeast part of the state. We return to several other patterns in Table 6, such as the higher take-up at schools with higher FAFSA completion rates, when we discuss mechanisms below.

[Figure 2; Table 6]

Mechanisms and Barriers

What could explain such heterogeneity by school and region? Our results highlight that no single factor can fully explain this low take-up rate; however, many contributing factors can increase take-up when the right circumstances are met.

Knowledge of TIP

One unique feature of TIP is that students are notified as early as age 11 that they are eligible for free community college tuition. However, interviews with counselors suggest the

early notification process has limitations. Counselors reported that students often learned of their TIP eligibility during advising sessions late in high school, despite early notification. According to participating counselors, few students were aware of the program and their eligibility. When students had already heard about their TIP eligibility, the counselor could then explain what it means and how to ensure access. However, for most counselors, their conversations with students were the first time students heard about TIP—often not until 12th grade.

Leah is an experienced school counselor with over 15 years at a large rural school with one counselor per 250 students. Approximately 35 percent of students at her high school are eligible for TIP; however, Leah estimated that only half of TIP-eligible students knew they were eligible before their senior year. She shared, "and of the half that know, a lot of them just don't realize what it all means. And I'm surprised how many people are TIP eligible and just don't know." Khloe, the only school counselor in a suburban high school in the Detroit-metro area, expressed similar sentiment. Thirty-three percent of students in her school are eligible for TIP, but she worries many students do not realize the aid they are missing: "I feel like a lot of money goes unused, because you have kids who are getting this and they're like, 'Oh, I get this. Why do I get this or how do I get this?'"

Counselors speculated that the notification method, U.S. mail, was ineffective, as students might not have received or opened the letter, didn't understand or remember it, or discarded it completely. Janice is one of two school counselors in a mid-sized school in suburban western Michigan. She explained why students might not receive this information early:

> They should be getting notification via letter at home, but a lot of the students I work with didn't get the letter, moved a lot, or don't understand the letter. And so I pull students when I see that they're eligible to talk about it and talk about what that looks like.

Janet's thoughts were echoed by Nova, a first-year college advisor in a suburban high school in southeast Michigan. Nova is a college advisor through the Michigan College Access Network (MCAN), which places recent college graduates in high schools for one to two years to support college advising. She explained that even if students receive the letters early, "by the time you're 18 years old and graduated high school, they don't know where that letter is or it's been [lost]." Several counselors stated that the notification letter may have added to parents' distrust, since it was addressed from the Department of Treasury prior to 2024 and embossed with the state seal. Nicole is one of two counselors in a suburban high school in western Michigan, where 37 percent of students are eligible for TIP. She explained why many parents or students may have ignored their TIP notification letter:

> People were throwing away that mail, because they were afraid that the Department of Treasury was contacting them for something. So they just didn't want to see it and they would throw it away.

As a result, counselors were responsible for filling the information gap through various interventions, high-touch individual support, and advocacy—efforts often above and beyond the scope of counselors' primary duties. The majority of counselors (31) talked with students individually about their TIP eligibility. However, because this process fell to counselors as another job responsibility, there was variation in when and how frequently they accessed TIP eligibility through the MISSG portal—the data system that allows counselors with Data Use Agreements to see which students are eligible for TIP and whether they have completed necessary requirements. Some were proactive in checking student eligibility early and notifying students as they became TIP-eligible. Others checked at annual intervals or once when students reached their senior year, giving students less information about TIP throughout their high school

career. However, even if counselors have portal access, they may lack the capacity to proactively check it for students.

TIP's design around Medicaid eligibility poses a further challenge for identifying students. While counselors may have the ability to access student data on education, they cannot access Medicaid data, which is, by definition, private and restricted. Without this key data, counselors must rely more on contextual factors, such as their own knowledge of students' family circumstances, income and background. This problem underscores the fact that early notification may not matter if front-line administrators do not know which students are eligible and when barriers to obtaining this information are high.

TIP Timing

TIP eligibility and notification timing may affect take-up, as students may learn either too early or too late about the potential to receive aid. Figure 3 illustrates take-up rates by total months on Medicaid since age 9 (a measure of cumulative disadvantage during childhood) and timing of TIP eligibility and notification.

We observe several patterns in Figure 3. First, as childhood Medicaid participation increases, so do TIP take-up rates, regardless of when students first become eligible. Students who spend more time on Medicaid during childhood are much more likely to receive TIP aid relative to those who spend less time on Medicaid. For example, among students who just meet the minimum requirement for TIP (receiving Medicaid for exactly 24 months), take-up is low (approximately 17 percent). In comparison, among students who spend essentially their entire childhood on Medicaid, take-up is substantially higher (approximately 35 percent). This suggests that consistent attachment to Medicaid during childhood may be associated with higher TIP take-up. This further reinforces our earlier finding that a student's knowledge of their TIP eligibility is

an important step to accessing benefits. For students who have been on Medicaid consistently, eligibility may be less ambiguous both for themselves and for the school counselors advising them about their postsecondary options. Second, we find that TIP take-up is highest among those notified in early high school, while take-up is lower for those notified about eligibility either before high school or later in high school. This suggests students may learn about the program either too early (likely before making college plans) or too late (when there is insufficient time to meaningfully change plans or orientations toward college to benefit from TIP funding).

[Figure 3]

School-Level Resources and Student Context

As Figure 4 indicates, we observe wide variation across high schools in take-up rates. While some high schools have conditional take-up rates of nearly 80 percent, others are close to 0 percent. This suggests some schools may be better at connecting students to TIP than others. Table 7 includes results from school-level regressions that simultaneously examine the role of comprehensive characteristics on take-up rates, as described by equation (1). We examine take-up only among TIP-eligible students who attend college within two years of high school graduation. This ensures that, rather than indicating factors that predict high college-going rates, our results focus more narrowly on the question of take-up. Different columns illustrate different model specifications.

[Figure 4; Table 7]

We focus our discussion on the model with all covariates and all years (Column 3). First, both the fraction of TIP-eligible students (β=0.20, $p<0.001$) and the fraction of students eligible for free- or reduced-price lunch (β=0.19, $p<0.001$) are positively associated with take-up and

very large in magnitude. Schools in rural areas or towns have higher take-up relative to urban schools (β=0.11, $p<0.001$). As previously noted, traditional schools have higher take-up rates than other school types, including charter and alternative school settings. At the school level, counselor-student ratios also matter, where schools with higher student-to-counselor ratios tend to have higher take-up. This school-level analysis highlights the important role of school-level factors—the concentration of eligible students, school location, and counselor resources—in influencing take-up.

[Table 7]

These results show several key patterns. First, information and signals of eligibility predict take-up. As the number of TIP-eligible students at a school or the number of students eligible for free- or reduced-price lunch rises, so does its take-up rate. This may be due to improved signals of eligibility, as both students and counselors are more likely to be familiar with TIP aid if the program is commonplace or more students in the school are likely eligible. While we do not directly observe the mechanisms behind this, we find evidence that these characteristics improve the signal of TIP-eligibility for administrators and teachers. Second, we found that counselors matter, possibly through facilitating FAFSA and TIP applications, which we explore further in the next section.

FAFSA and TIP Application: Unnecessary Barriers to Access

TIP, like many social welfare programs, has historically required an application. While Medicaid participation determines eligibility, students must also fill out the FAFSA and—until 2021—were required to complete a TIP application by August 31st after graduation to receive TIP. Like other administrative burdens, these requirements have the potential to dampen take-up among eligible students if students do not or cannot fill out the forms. In many school contexts,

counselors highlighted FAFSA completion as a challenge for TIP-eligible students, and getting parental buy-in for FAFSA completion prevented some students from completing the forms.

Without parental consent, students cannot submit the FAFSA on their own, and without the FAFSA, students cannot receive federal or state aid. Counselors often struggled to connect with parents around this issue or to advise students on complex family dynamics and social norms that shaped their parents' decisions. In fact, 22 of the 40 counselors we interviewed described parental resistance to completing the FAFSA, which made that administrative step challenging for students to complete. As a result, counselors assumed responsibility for guiding students through the entire FAFSA process and found that their efforts were often unsuccessful.

Counselors attributed some parental reticence to distrust of government. For some, this is a general sentiment about sharing information with the federal or state government. For example, Alexa, one of three school counselors in an urban high school in southeast Michigan, noted that "A lot of people don't trust the government. So, when you're saying that the government needs this information, it's already a barrier." Alexa went on to explain that some parents were concerned that the FAFSA was a means of stealing their identity or an attempt to fraudulently obtain financial information, "They think we're trying to steal their tax information and their identity when we do the FAFSA, so [they have a] whole bunch of just excuses to not do it… They don't care or they don't think that's worth it or skepticism about the whole process."

In some school contexts, student and family immigration status shape FAFSA resistance. Tyler is an MCAN college advisor who had a two-year placement in a south-central Michigan high school with two traditional high school counselors. He described fears among students with family members who are undocumented that filling out the FAFSA may place family members in harm's way or impact family access to resources:

> I have worked with several students mainly with our Spanish speaking families who have undocumented parents or in different tricky situations. And I guess a lot of students are scared or scared for their families to even mess with FAFSA because in theory that shouldn't put anybody at risk, but I don't know what happens on that side and I don't know, that's always kind of a scary situation.

Completing the FAFSA not only allows students to access the TIP funding they are entitled to but would, in most cases, also give students access to a Pell grant as well as subsidized loans. However, students weigh those benefits against the potential for harm to their family. Counselors also noted that even when students fill out the FAFSA, administrative barriers may still prevent students from accessing aid they are eligible for. For example, completing the wrong year, mis-typing their social security number, or missing an item can leave their FAFSA incomplete. Unless their counselor is monitoring progress or they check to see if their FAFSA was processed—which most reported they did not have the capacity to do regularly, if at all—students may incorrectly believe they have completed this step.

Other seemingly small administrative steps may prevent aid from reaching the institutions students enroll in. For example, when students complete their FAFSA, they can list multiple institutions that they could potentially attend, which will then receive their financial information to complete an aid package upon admission. However, until 2024, the office that administers state aid sent TIP eligibility information only to the first institution listed on a student's FAFSA. This means that if students list more than one institution, and do not attend the first school listed, the aid may never reach them. To correct this error, students must first be aware of the issue, then must call or log onto the state aid portal to notify the aid office that their institution should be changed. If counselors are not aware of this nuanced detail, or if the student changes their plans over the summer—something that is not uncommon—when they no longer have access to a school counselor, students might not know how to make this change.

Our dataset does not include direct measurement of individual-level FAFSA filing. However, we can observe which students receive the Pell grant, where FAFSA filing is also a requirement. Given the similarities in the average income profiles of those eligible for Pell and those eligible for Medicaid/TIP, we would expect significant (if not complete) overlap between our sample of TIP-eligible students and Pell-eligible students. When we condition our sample on Pell recipients (and therefore on students we know completed the FAFSA), take-up rates rise significantly (see Table 5). However, take-up is still far below 100 percent, with only 40 percent of TIP-eligible Pell recipients also receiving TIP (despite the fact that all have already completed and filed the FAFSA).

We also have collected FAFSA filing rates at the high-school level for 2019 to 2021. In column (4) of Table 7, we see that the share of students who filed the FAFSA is one of the strongest predictors of school-level TIP take-up; a ten percentage point increase in FAFSA filing at the school level is associated with a four percentage point increase in TIP take-up.

The application requirements for the TIP program may also have lowered average take-up levels among TIP-eligible students. Prior to 2021, students had to complete a TIP application to receive aid. While we do not directly observe TIP application at the individual level, we can examine variation in the timing of the change in TIP process to better understand if the application served as a barrier to take-up. In comparing cohorts before and after the application was required, we observe a large increase in take-up, though take-up rates still do not exceed 50 percent (Figure 1) and the increase mostly occurred when the TIP application was still required. The average take-up rate for later cohorts (where no TIP application was required) is 40 percent; in contrast, the average take-up rate for earlier cohorts (where an application was required) is 29 percent. In sum, results on the FAFSA and TIP application suggest that burdensome paperwork

and applications account for a modest share of incomplete TIP take-up but do not fully explain patterns of low take-up. At best, even accounting for these barriers, conditional take-up hovers around 40 percent.

Fragmented Administrative Systems

Many barriers to take-up are largely outside students' control. TIP eligibility and access involves integration of data systems across two state agencies and 31 public community college systems and a set of public four-year institutions. The Department of Health and Human Services maintains records for Medicaid in the state and is responsible for determining eligibility and sending the list of eligible students to the department responsible for administering financial aid. Until recently, this was the Office of Student Aid team at the Department of Treasury. Since the start of our study, this office was relocated to the Michigan Department of Lifelong Education, Advancement and Potential (and renamed the Office of Higher Education). The Office of Student Aid manages eligibility data, conducts outreach to schools and students and higher education institutions, processes FAFSAs, and distributes aid to institutions. Institutions of higher education then access the data through a third-party managed portal, which gives them the list of students who listed their institution first on the FAFSA who are eligible for given state aid programs. Through this list, institutions know who should get which types of aid in their financial aid packages. While high schools are not formally in this chain of administrators, school counselors are on the frontline and responsible for ensuring students know they are eligible and how to access aid—especially if something goes wrong along the way.

High school counselors can only do so much to smooth administrative barriers, leading many students to miss out on aid they are eligible for. The MISSG portal was the most common way for counselors to find out which students were eligible for TIP. However, not every

counselor has access to the data. Portal access to view the full list of eligible students in a given high school requires the school to establish a Data Use Agreement (DUA) annually with the State. In fact, in Table 6 we show that school-level take-up is higher at schools that have an established DUA. Furthermore, the right individuals need to be listed. For example, if one counselor is listed on the DUA and not another, only the listed counselor will have access to the list of eligible students in the high school and whether they have completed all necessary steps to access aid. One role of the Michigan Office of Student Aid (now the Office of Higher Education) outreach staff is to establish and maintain relationships at the high school level to ensure smooth and consistent access to information. Andrea, a member of the outreach team, explained:

> So what's happening among those counselors that are at the same school? Are they talking to each other? Are they like, hey, did you get listed on the DUA? Because we might only have one counselor, but maybe the other one should be listed. So it's like this continuing to spread the word, making sure that these new staff know about it.

Some outreach staff wondered if inconsistent DUA status across high schools could be due to staff not knowing it is an option. Ryan, another member of the outreach staff, speculated: "I'm like, we don't have all of our high schools participating and even accessing our system. So, why is that, are they aware that the system exists? And if they are aware and they're choosing not to access it?" There are only eight outreach staff members for over 1,000 public high schools in the state of Michigan. Therefore, the outreach staff often rely on existing relationships with schools or counselors, the Michigan College Access Network—which places college advisors in some school districts throughout the state—and presentations at state conferences for school counselors and college advisors to get the word out. This might create inconsistent access to information and support throughout the state.

After a student graduates, there is an additional set of data-sharing and administrative hurdles that need to be cleared for institutions to provide that student with TIP dollars. First,

there are several legitimate reasons a student might not receive TIP. For example, students may have institutional aid or private scholarships applied to their tuition, which does not leave room for TIP. While it varies by institution, financial aid staff shared that this would not explain the large gaps in take-up. Further, institutions receive a list of students who are eligible for TIP; however, this list differs from the aid disbursement list. Mike, a staff person at one Michigan community college with below-median TIP take-up, highlighted this problem:

> [The online portal] is always going to have its issues. It's run by a third party, it's not even run...so it's going to be its own thing. [...] I would say the majority of the issue that we have to ensure is that sometimes general eligibility versus eligibility to be billed are two different things. So are they on the eligibility roster or are they on the billing roster. And so we have to reconcile that.

Before an eligible student can be awarded TIP, institutions need to verify a student's high school graduation. Officially, this happens through data shared by the state agencies that track education records. However, the administrative data is often not provided for all students, therefore financial aid staff must work directly with students to get official documentation of graduation. Anna, a financial aid specialist at a Michigan community college with close to median TIP take-up, estimated that approximately 30 to 50 percent of TIP-eligible students in any given year need to manually verify their high school graduation status. This requires financial aid staff to track students down to get a physical copy of their high school diploma. Institutions must also verify students' residence as well as their enrollment in a qualifying program (for enough credits). Further, for the institution to bill the state for students' tuition, students need to be meeting satisfactory academic progress, as defined by the institution.

This manual verification process is labor intensive. While Pell and other federal awards are more automated based on criteria in the FAFSA, criteria for state aid programs vary considerably. This requires manual verification to ensure students are allocated the right amount

of aid from each award bucket. This makes state aid especially labor intensive to allocate. Further, without the eligibility indicator from the state of Michigan, financial aid staff cannot determine TIP eligibility based on information they have access to in the FAFSA. Jennifer, a staff member in the financial aid office at a Michigan community college with above median take-up among TIP-eligible students who enroll, explained how labor-intensive this manual process can be:

> But, the state of Michigan has MISSG. It's their big system where, [our state-aid expert] receives [sic], he can download a file from there and upload it into our system, and it looks at, you know, who is showing eligible for any of the state programs. And then it compares to our system to see who we already have an indicator for and who we don't, so he can add them to our student information system.

Other financial aid staff members noted challenges with the online platform, advising students on how to use it, and the complexity of the information they receive. If a student does not show up on their list, financial aid staff would need the time, resources, and expertise to figure out who is eligible and contact the state to verify their eligibility. This often happens if students do not list their institution first on the FAFSA and do not go back into the system to rectify that. If students themselves do not know they are eligible or do not know exactly what that eligibility should mean, they might not know to advocate for changes to their financial aid.

Even once the list of eligible students is verified, financial aid specialists must navigate a complex set of program policies and regulations to determine who should receive aid, which of their costs are eligible to be covered, and what aid should be packaged first. TIP, as well as several other programs in Michigan, are written into legislation. That legislation is then interpreted by program administrators, resulting in manuals for institutions on the policies and regulations that govern each program's administration. Andrew, a staff member of a financial aid office at a Michigan community college with below median take-up among TIP-eligible students

who enroll, noted that these regulations change often, and the materials they have access to often report inconsistent information. He explained that figuring out the state prescribed application of each program is much more complicated than it seems, "I have to reference the state manual frequently. But yeah, it's all about untangling the rules and following them as they're written. Which, and they're not always super clear either." This complexity not only makes it hard for financial aid administrators to get it right but also causes confusion and uncertainty for students. Andrew went on to summarize the complexity of the program:

> These programs are a lot more complex than the billboard that says 'free tuition' makes it sound like. There's one right out here by the highway that says 'free tuition,' and it's not wrong, but it's not entirely right either. There's a lot of nuance to these things. And students get frustrated and upset. That is a barrier too. The hidden complexity in this stuff is a barrier to students.

DISCUSSION

This study examines social welfare program take-up through the case of Michigan's Tuition Incentive Program (TIP), a state grant aid program that more than one-third of high school graduates in the state are eligible for. Like many social programs across the United States, the majority of students eligible for TIP do not ultimately receive their entitled aid. Our mixed-method results reveal the complex relationship between administrative burden and the role of front-line administrators such as school counselors and financial aid administrators in shaping take-up patterns.

Specific program requirements significantly influence take-up rates, demonstrating how administrative burden contributes to low policy participation by both suppressing eligibility information and creating tangible barriers. Requirements and deadlines associated with the FAFSA and TIP application modestly depress take-up, with timing of TIP eligibility notification proving particularly important. Even something as seemingly innocuous as requiring high school

graduation by age 20 creates large barriers, as it can trigger a manual verification process when data systems are fragmented. Qualitative evidence emphasizes the FAFSA as a primary barrier, especially when completion requires parental involvement. Students with early and consistent Medicaid enrollment throughout childhood demonstrate higher take-up rates than those with limited Medicaid enrollment or late eligibility in high school. At the school level, TIP take-up rates increase as signals of eligibility rise—specifically, as the proportion of TIP-eligible or low-income students increases.

Our results illuminate a complex matrix of forces influencing take-up. Program design and administrative hurdles create substantial challenges for individuals seeking support. While no singular barrier explains low take-up, multiple pathways exist for students to fall through the cracks, and these cumulative effects prove significant. Front-line administrators, including school counselors and financial aid staff, function not as standalone barriers but as components of an intricate network shaping resource access. Institutional support can mitigate barriers, but only when staff possess the information, resources, and institutional knowledge necessary to provide consistent and informed assistance.

High school counselors play a pivotal role in shaping take-up for both individual students and entire schools. Although they face their own administrative burdens alongside their students, counselors can alleviate student barriers through mechanisms such as DUAs, which streamline the identification of TIP-eligible students and completion of required forms. However, counselors' roles in this process remain ill-defined and inconsistent. Outreach staff at the Office of Student Aid (now Office of Higher Education) attempt to address these gaps by conducting school visits, helping establish Data Use Agreements, and building relationships with high school counselors, but with limited capacity, they often rely on existing relationships or

counselor-initiated contact, potentially contributing to inequality. Further, high school counselors cannot resolve administrative barriers that prevent students from receiving aid once they enroll in community college.

This research focused on administrative systems responsible for connecting students with aid. Future work will examine how TIP influences student decision-making through qualitative interviews with TIP-eligible high school and community college students. The current study could not identify alternative aid sources students might receive instead of TIP, such as institutional aid, private scholarships, and promise-program grants. Through qualitative student interviews, we will identify other aid sources and examine how TIP shapes broader postsecondary decisions. The administrative hurdles and informational barriers may not only depress take-up but also undermine overall program effectiveness for students, which we also are examining in ongoing research.

This research contributes to our understanding of the role of administrative burden (Herd & Moynihan, 2018) and street-level bureaucrats (Lipsky, 2010) in shaping policy take-up (Currie, 2006; Ko & Moffitt, 2022). Our study provides a comprehensive investigation of factors predicting take-up, with implications extending beyond the TIP program to other social programs experiencing low participation rates. This work underscores the importance of considering both policy design and implementation. Relying on individual actors—such as front-line administrators—to alleviate system-level burdens inevitably results in inequality.

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TABLES

Table 1. Descriptive statistics of quantitative student sample.

	Not TIP eligible	TIP eligible	Full sample
Female	50.4%	51.3%	50.7%
White	82.9%	65.7%	77.1%
Black	11.3%	27.4%	16.7%
Hispanic	4.1%	8.3%	5.5%
Asian	4.3%	2.8%	3.8%
American Indian or Alaska Native	1.4%	2.2%	1.7%
Native Hawaiian or Other Pacific Islander	0.3%	0.2%	0.2%
Two or More Races	1.4%	2.0%	1.6%
Receives Special Education	6.8%	11.7%	8.5%
Composite SAT Score	1045	931	1002
Composite ACT Score	21	18	20
Poverty Ratio (share of years FRPL)	20.22%	70.37%	37.13%
Total Months on Medicaid since age 9	2.06	82.57	29.21
Total Months on TANF	0.25	14.59	5.08
Total Months on SNAP	2.15	75.92	27.03
Receives Pell within 2 Years of HS Grad	11.9%	27.1%	17.0%
Enrolled in any College within 2yrs of HS Grad	78.2%	62.2%	72.8%
Enrolled in a Public 2-year College within 2 Years of HS Grad	39.5%	37.7%	38.9%
Total TIP 1 Received Within 2 Years of HS Grad	$72.83	$696.50	$283.16
Total TIP 2 Received Within 2 Years of HS Grad	$0.56	$7.31	$2.84
Observations	718,493	365,623	1,084,116

Note(s): Authors calculations using our constructed administrative data panel. Medicaid, TANF, and SNAP participation are only measured while individuals reside within Michigan. MTG and MCS are separate financial aid programs administered by the state of Michigan. FRPL indicates eligibility for free- or reduced-price lunch. TANF is the Temporary Assistance for Needy Families program, and SNAP is the Supplemental Nutrition Assistance Program, PSI is Post Secondary Institution.

Table 2. Characteristics of high school counselors interviewed.

	Number	Proportion
Demographics		
Woman	33	0.825
Man	7	0.175
Black	4	0.107
White/Hispanic	2	0.050
White	29	0.735
Job Role and Educational Experience		
School counselor	34	0.850
College advisor	6	0.150
Years as a counselor: Not a certified school counselor	4	0.100
Years as a counselor: One	7	0.175
Years as a counselor: Two to nine	12	0.300
Years as a counselor: Ten or more	17	0.425
Years at current school: One	9	0.225
Years at current school: Two to nine	18	0.450
Years at current school: Ten or more	13	0.325
Highest Degree Received: BA	6	0.150
Counselor Observations	40	

Note(s): Characteristics are self-reported based on survey conducted at the end of each interview. "Not a certified school counselor" includes those we interviewed who were either serving as a college advisor through the Michigan College Access Network or otherwise fulfilling some or all the responsibilities of a school counselor without having a formal school counselor certification.

Table 3. Characteristics of the schools where interviewed high school counselors work.

	Interview Sample	Schools for sample selection	Michigan public high schools
	Mean	Mean	Mean
Total number of high school counselors (2024)	2	--	--
School has a separate college advisor (2024)	0.350	--	--
School had a DUA with the state (2024)	0.875	0.844	--
Number of High School Graduates	142.6	164.5	100.4
Racial and economic demographics			
Proportion of students who are Black	0.105	0.171	0.185
Proportion of students who are Hispanic	0.087	0.079	0.079
Proportion of students who are White	0.740	0.685	0.670
Proportion of students who are Asian American	0.018	0.024	0.017
Proportion of students who are American Indian or Alaskan Native	0.012	0.007	0.012
Proportion free- or reduced-price eligible	0.487	0.495	0.567
TIP-eligibility and postsecondary enrollment			
School's distance to closest 2-year school (miles)	14.9	12.9	13.2
Proportion of students enrolled in any college within 2years	0.626	0.621	0.496
Proportion of students enrolled in a MI public 2-year within 2years	0.320	0.311	0.260
Proportion of students eligible for TIP	0.416	0.424	0.496
School Observations	40	505	954

Note(s): The number of counselors and college advisor status are based on survey data collected at the end of the interview. Remaining characteristics are authors calculations using our constructed administrative data panel. Data is collapsed at the high-school-level, averaging across high school graduates from 2019 to 2021 (the most recent three graduation cohorts in our administrative data panel). Since each school is given equal weight (i.e. we do not weight by number of students), the characteristics will differ from the student-level characteristics reported in Table 1.

Table 4. Characteristics of the institutions where interviewed financial aid staff members work.

	Institutions in interview sample	All TIP-eligible Michigan public institutions
	Mean	Mean
Institution-level characteristics, IPEDS 2018		
Percent receiving Pell Grant	0.329	0.340
Percent receiving federal loans	0.306	0.240
Percent of students who are first generation	0.395	0.421
Median family income of enrolled students	$40,979	$38,238
TIP-Eligibility and Receipt, 2011 to 2021 MI Public HS graduates		
Number TIP eligible students enrolled per high school cohort	366.5	378.7
Institution Observations	7	32

Note(s): Authors calculations using IPEDS 2018 data and our constructed administrative data panel. TIP-eligibility are based on the first institution enrolled during years one and two for the 2011 to 2021 high school graduates, collapsed at the institution-level. These calculations also include associate degree programs at predominantly four-year institutions, as these institutions were included in our interview sample. Since each institution is given equal weight (i.e. we do not weight by number of total or TIP eligible students), the characteristics will differ from the student-level characteristics reported elsewhere.

Table 5. Summary of take-up rates by student demographic characteristics.

	Take-up	Take-up (conditional on community college enrollment)
Overall	13.9%	29.9%
Gender		
Male	12.0%	28.0%
Female	15.8%	31.5%
Race		
American Indian	15.5%	34.3%
Asian American	10.2%	19.5%
Black	12.8%	29.7%
Hawaiian	13.3%	29.5%
Hispanic	14.0%	32.5%
Two or More Race	16.2%	36.6%
White	14.5%	29.9%
Special Education		
No Special Education	14.3%	29.6%
Special Education	11.0%	33.5%
Fraction of K12 Observations with FRPL		
Below Median	11.8%	24.0%
Above Median	16.2%	36.6%
Medicaid Participation (Months)		
Below Median	12.7%	24.7%
Above Median	15.3%	36.3%
Pell Receipt		
Not Pell Recipient	9.4%	23.9%
Pell Recipient	28.8%	40.3%

Note(s): This table uses our constructed administrative data panel to report the average take-up rates across demographic groups (unconditional as well as conditional on enrollment in community college). Medicaid, TANF, and SNAP participation are only measured while individuals reside within Michigan. Take-up is defined as the proportion of TIP-eligible students who receive TIP aid within two years of high school graduation.

Table 6. TIP take-up by high school characteristics.

	Take-Up	Take-Up (conditional on community college enrollment)
School Urbanicity		
City	10.9%	27.1%
Suburb	9.9%	25.7%
Rural/Town	16.3%	40.6%
URM Enrollment Share		
Low	16.0%	38.6%
High	10.9%	28.5%
HS Poverty Enrollment Share		
Low	14.9%	32.5%
High	11.9%	34.3%
FAFSA Completion Share*		
Low	9.5%	38.5%
High	16.8%	44.4%
High School DUA Status**		
No	13.1%	32.5%
Yes	16.7%	45.1%

Note(s): This table uses our constructed administrative data panel to report the average take-up (unconditional and conditional on enrollment in community college) for high schools with each characteristic. Each high school is equally weighted when calculating the average.

*FAFSA Completion Share is based on 2019 to 2021 graduating classes only.

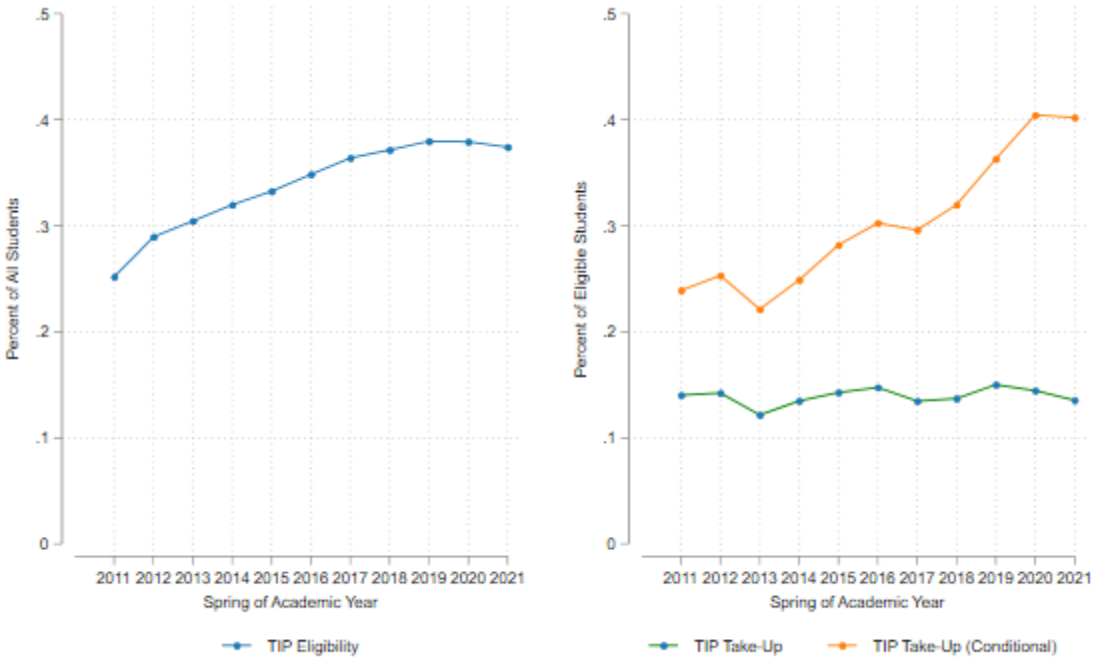
**DUA status was only provided for the academic year ending in 2020 so this tabulation reflects take-up differences for that one year.

Table 7. Regression results predicting school-level take-up rates.

	TIP Take-Up, Conditioned on Enrollment in a Two-Year College			
	(1)	(2)	(3)	(4)
% of Students that are Black	-0.225***	-0.104***	-0.098***	-0.177***
	(0.016)	(0.020)	(0.020)	(0.032)
% of Students that are Amer. Ind. or Alaskan Native	0.072	-0.003	-0.003	0.218*
	(0.074)	(0.067)	(0.065)	(0.121)
% of Students that are Asian	-0.865***	-0.543***	-0.609***	-0.923***
	(0.106)	(0.085)	(0.087)	(0.144)
% of Students that are Hispanic	-0.058	0.052	0.045	0.136**
	(0.055)	(0.053)	(0.052)	(0.061)
% of Students that are Eligible for Free/Reduced Lunch	0.123***	0.138***	0.189***	0.243***
	(0.027)	(0.029)	(0.035)	(0.075)
% of Students that are TIP Eligible	0.350***	0.264***	0.207***	0.170*
	(0.033)	(0.033)	(0.047)	(0.093)
School Urbanicity - Suburb		0.004	0.004	0.003
		(0.012)	(0.012)	(0.020)
School Urbanicity - Rural/Town		0.114***	0.107***	0.105***
		(0.015)	(0.015)	(0.023)
Log Enrollment		0.008	-0.000	-0.022**
		(0.005)	(0.006)	(0.010)
Indicator for Charter School		-0.021	-0.025*	-0.031
		(0.014)	(0.014)	(0.022)
Student to Counselor Ratio		3.028***	2.526***	2.329
		(0.916)	(0.913)	(1.707)
4y Graduation Rate			0.105***	0.009
			(0.039)	(0.096)
4y Dropout Rate			0.162**	0.380**
			(0.072)	(0.161)
Share of Students that Complete the FAFSA				0.441***
				(0.064)
Constant	0.224***	0.093**	-0.139**	0.060
	(0.012)	(0.039)	(0.068)	(0.128)
School FE	N	N	N	N
Adj R-squared	0.134	0.163	0.166	0.188
F-stat	63.249	63.444	48.485	33.684
Observations	9,173	9,173	9,173	2,438

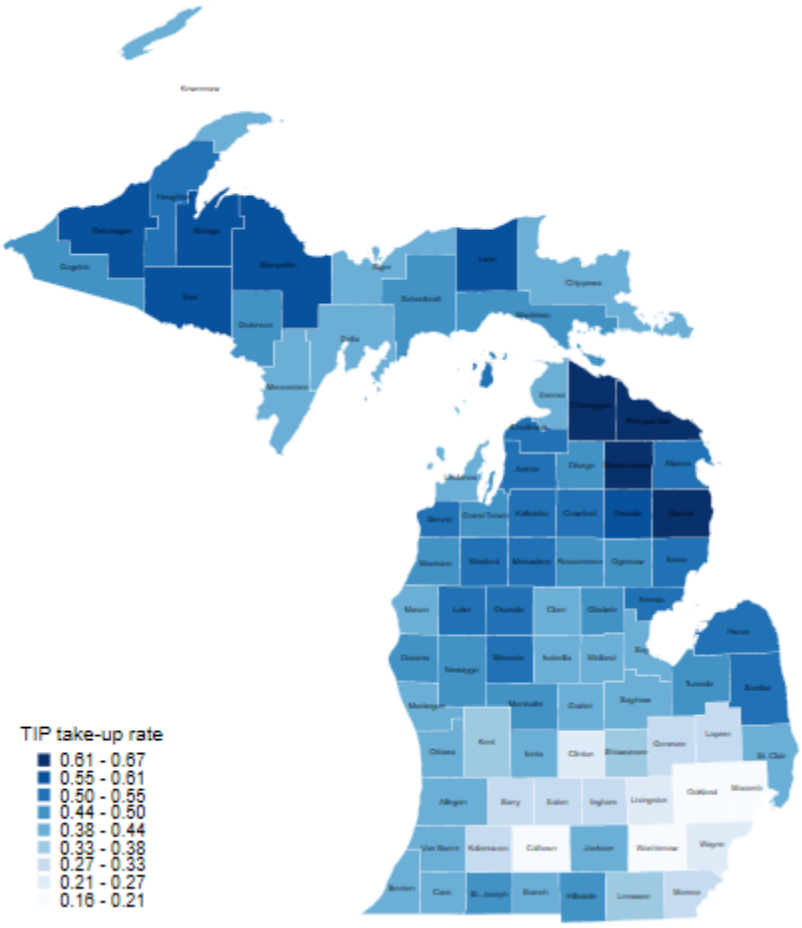
Note(s): This table uses our constructed administrative data panel. Each column presents results from a separate school-level regression predicting take-up rates. Columns 1-3 and Column 5 include 2011 to 2021, while Column 4 includes 2019 to 2021. FAFSA completion share is only available for 2019 to 2021 cohorts. Take-up rates are conditional on at least part-time community college enrollment within two years of HS graduation. Standard errors are clustered at the school level. Statistically significant coefficients are denoted with stars: *** < 0.01, ** < 0.05, * < 0.1.

FIGURES



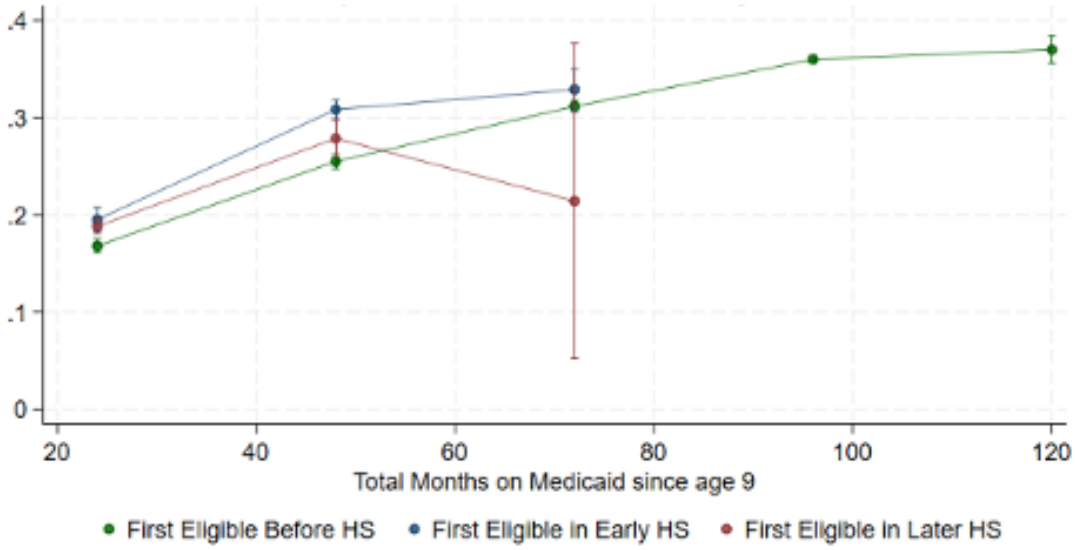
Note(s): This figure uses our constructed administrative data panel to figure report average take-up, calculated at the student-level, for students graduating high school in each year. Take-up is defined as the proportion of TIP-eligible students who receive TIP aid within two years of high school graduation. Conditional take-up is defined as take-up among students enrolled at a community college.

Figure 1. TIP eligibility and take-up, over time.



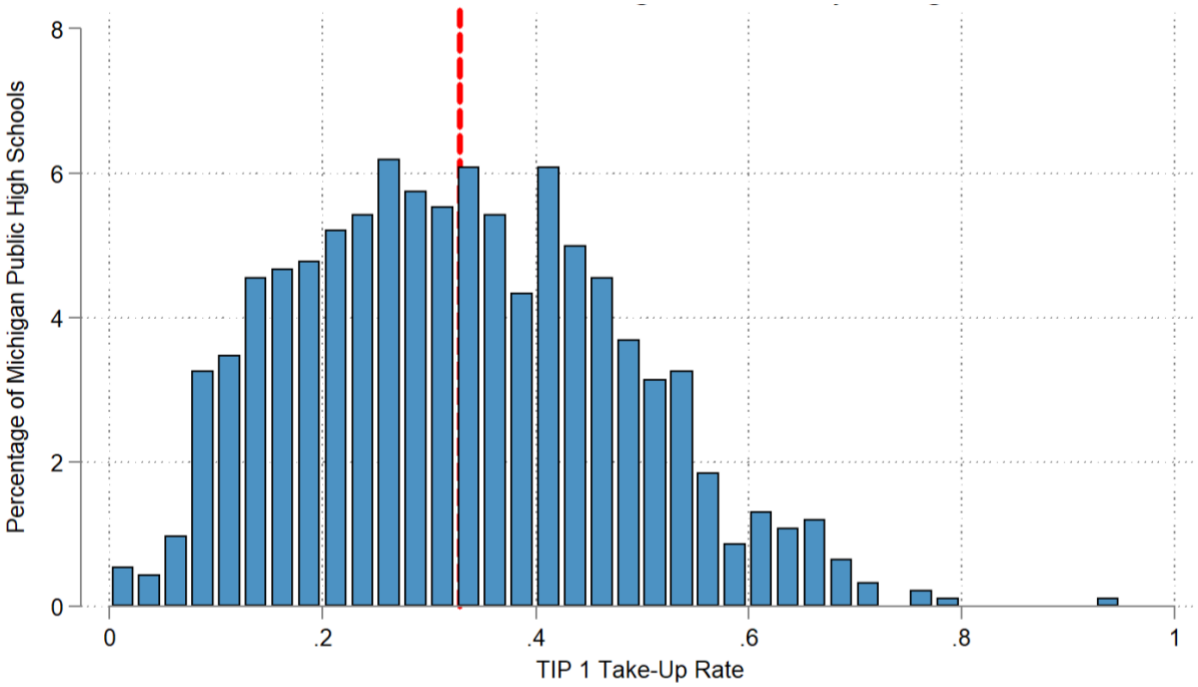
Note(s): This figure uses our constructed administrative data panel to report the average conditional take-up rate for each Michigan county. Conditional take-up is defined as the proportion of TIP-eligible students enrolled in a Michigan community college who receive TIP aid within two years of high school graduation.

Figure 2. Distribution of take-up (conditional on community college enrollment) by high school county.



Note(s): This figure uses our constructed administrative data panel to report conditional take-up by months on Medicaid from the age of 9, collapsed into 24-month bins. 95% confidence intervals represented by vertical bars. Take-up is defined as the proportion of TIP-eligible students enrolled in a Michigan community college who receive TIP aid within two years of high school graduation. Take-up rates are reported separately by the timing of when students first became Medicaid eligible for TIP, which requires 24 months of Medicaid enrollment during a 36-month window.

Figure 3. Variation in conditional take-up by total months on Medicaid and eligibility timing.



Note(s): This figure uses our constructed administrative data panel to report the average take-up rate for each Michigan high school in each year from 2011 to 2021. Take-up is defined as the proportion of TIP-eligible students enrolled in a Michigan community college who receive TIP aid within two years of high school graduation.

Figure 4. Conditional take-up rate by high school.

APPENDIX

Table A1. High school counselors represented in the text.

Pseudonym	Years at current school	Years as a counselor	School has separate college advisor	Counselor-to-student ratio	Proportion TIP-eligible	Proportion enrolled at a MI public 2-year
Khloe	3	6	No	343	0.358	0.352
Nicole	1	12	No	486	0.383	0.393
Alexa	1	1	No	455	0.715	0.252
Janice	2	4	No	387	0.245	0.212
Nova	1	1	Yes	449	0.262	0.388
Tyler	1	1	Yes	160	0.699	0.139
Leah	18	18	Yes	252	0.368	0.258

Note(s): Table reports characteristics of the high school counselors discussed in the text. The first three columns use data from the interview transcript. Remaining columns use administrative data averaging across the 2019 to 2021 graduation cohorts (the most recent three graduation cohorts in our administrative data panel), collapsed at the school-level.