State scholarships are tricky business

The argument over what works best seems guaranteed to intensify

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The 50 states gave about $11 billion in financial aid to college students in the 2010-2011 school year. But the laboratories of democracy use very different approaches.
That is sparking conflict that is likely to grow.

As Jennifer Levitz and Scott Thurm of the Wall Street Journal reported recently, states like California, New York and Michigan make financial need the primary component in financial aid decisions.

But in 1993, Georgia launched the HOPE scholarship, which is based on academic merit regardless of need. Since then, 27 states, including West Virginia, have followed suit.

Defenders of the merit approach say focusing on achievement encourages students to do so, and helps states keep some of their brightest graduates at home.

But with money getting tight, and tuition at four-year public colleges doubling in 10 years, states are trying to rein in the costs of the programs.

Georgia rejected caps based on income levels. Instead, it started requiring students to post a 3.7 average and a combined math and reading SAT score of at least 1,200 or a composite ACT score of 26 to win full tuition.

Students with averages between 3.0 and 3.7 still qualify for help, but not as much.

That's where it got tricky, and why the debate over what is right is likely to heat up.

The Journal analyzed the ZIP codes of those who received scholarships. Relatively well-off students won more of the full-tuition grants, while really needy students who didn't score as high got less help. ...

Such disparities will fuel debate in the coming years, and the right solution will not be easy to find.

States should probably use a mixed approach, said Neal McCluskey of the libertarian Cato Institute.

The merit-based approach steers public money to students who don't need it. The needs-based model doesn't predict whether students are prepared for college work and sets some up for heartbreak.

Politicians who can steer their states through those shoals will have earned their keep.