



# OVERVIEW OF STATE FINANCIAL AID

## Senate Higher Education & Workforce Development

January 17, 2019

Becky Thompson  
Director of Student Financial Assistance



WASHINGTON STUDENT  
ACHIEVEMENT COUNCIL  
EDUCATION · OPPORTUNITY · RESULTS



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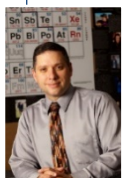
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Two-year public colleges



**Terri Standish-Kuon,  
PhD**

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Independent Colleges of  
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**Dr. Michaela Miller**

Deputy Superintendent,  
OSPI

K-12 education



# WSAC's Primary Duties

## Policy & Research

- Attainment goals
- System & workforce needs
- Academic efficiency policies
- Recommendations for student success

## Affordability

- Savings: GET (Guaranteed Education Tuition) & DreamAhead
- Financial aid administration
- Workforce shortage programs

## Access & Support

- College Bound Scholarship
- Ready, Set, Grad
- GEAR UP
- 12th Year Campaign
- Washboard.org
- Adult Reengagement

## Consumer Protection

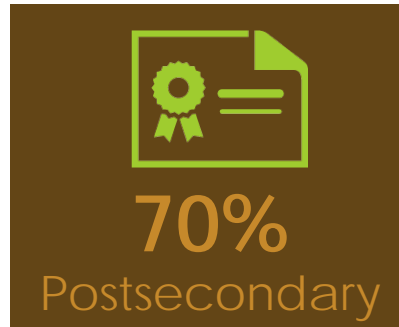
- Degree authorization
- Veterans' benefits
- Complaint resolution
- Program compliance
- Student Loan Advocate



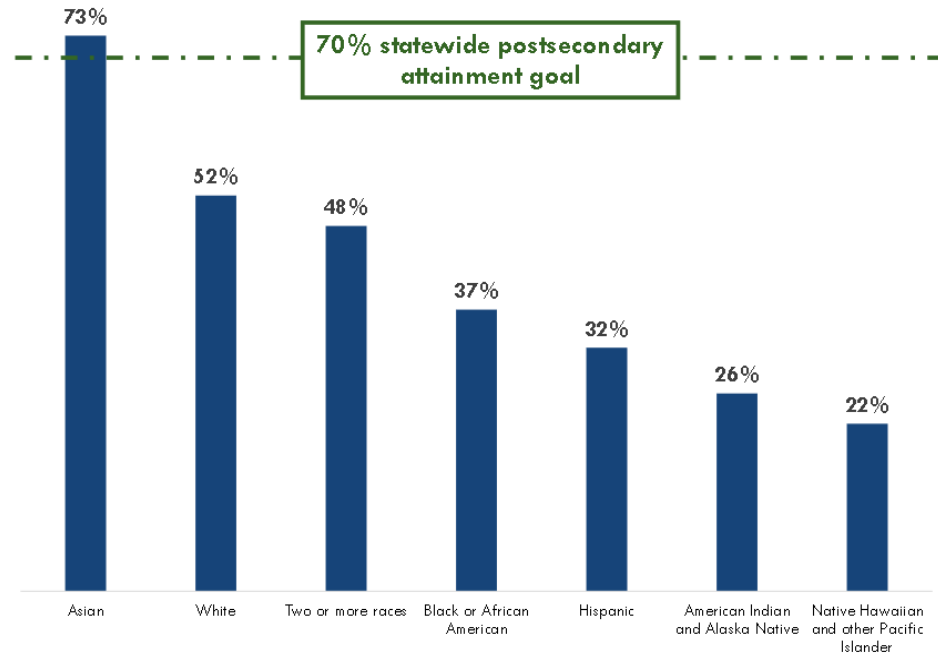
# Reaching the State's Attainment Goals

## THE ROADMAP

A Plan to Increase Educational Attainment in Washington



Washington population ages 25-44



Source: Source: WSAC Analysis of American Community Survey 2012-2016, U.S. Census (August 2018).



## Four Critical Challenge Areas to Address

- Address regional workforce shortages.
- Engage and support local communities.



- Provide multiple affordable pathways to a wider variety of careers.
- **Address financial barriers associated with different pathways.**

- Remove barriers for underserved students.
- Support underrepresented students.



- Recruit and support adult learners.
- Target outreach and support to former students with credits.



# Affordability Framework

Using data to improve  
understanding of  
higher education  
affordability in  
Washington.



# What is Affordability?



State legislatures have key policy levers to make college affordable for all students.

## STUDENT LOANS

During the great recession, annual debt doubled for students attending community colleges and increased by up to 61% for those in the public four-year system.\*



## WORK

A recent statewide survey revealed that nearly 2/3 of students are working while in college. Half of working students work more than 20 hours per week.

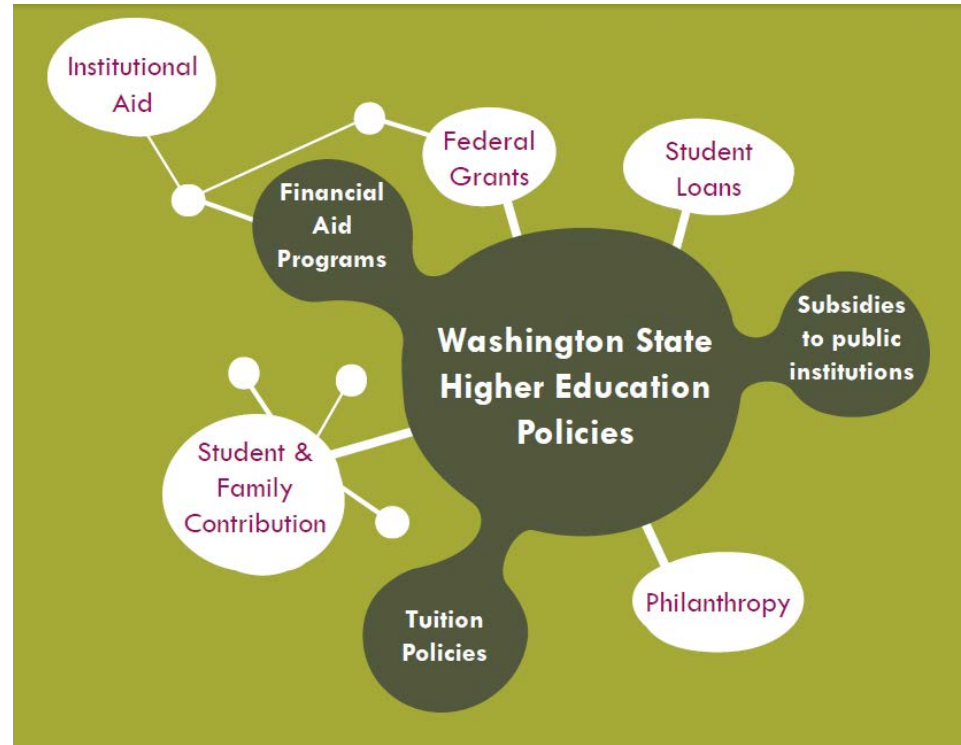
## SAVINGS

According to a 2012 study by the U.S. GAO, families with 529 plans or Coverdells had median incomes of about \$142,400 per year.



## FAMILY SUPPORT

Nearly 1/3 of students at community colleges and 2/3 of students at four-year colleges rely on parental support.\*





## Measuring Affordability

Paying for postsecondary education has three major components:

### Costs

Include tuition and fees, books, room and board, etc.

### Aid

The system by which some costs are reduced or waived, lowering total cost for recipients.

### Student Options

Students then have to decide how to pay for their net costs—the cost remaining after any aid is applied. They can work, borrow, attend part-time, choose different institutions, etc.

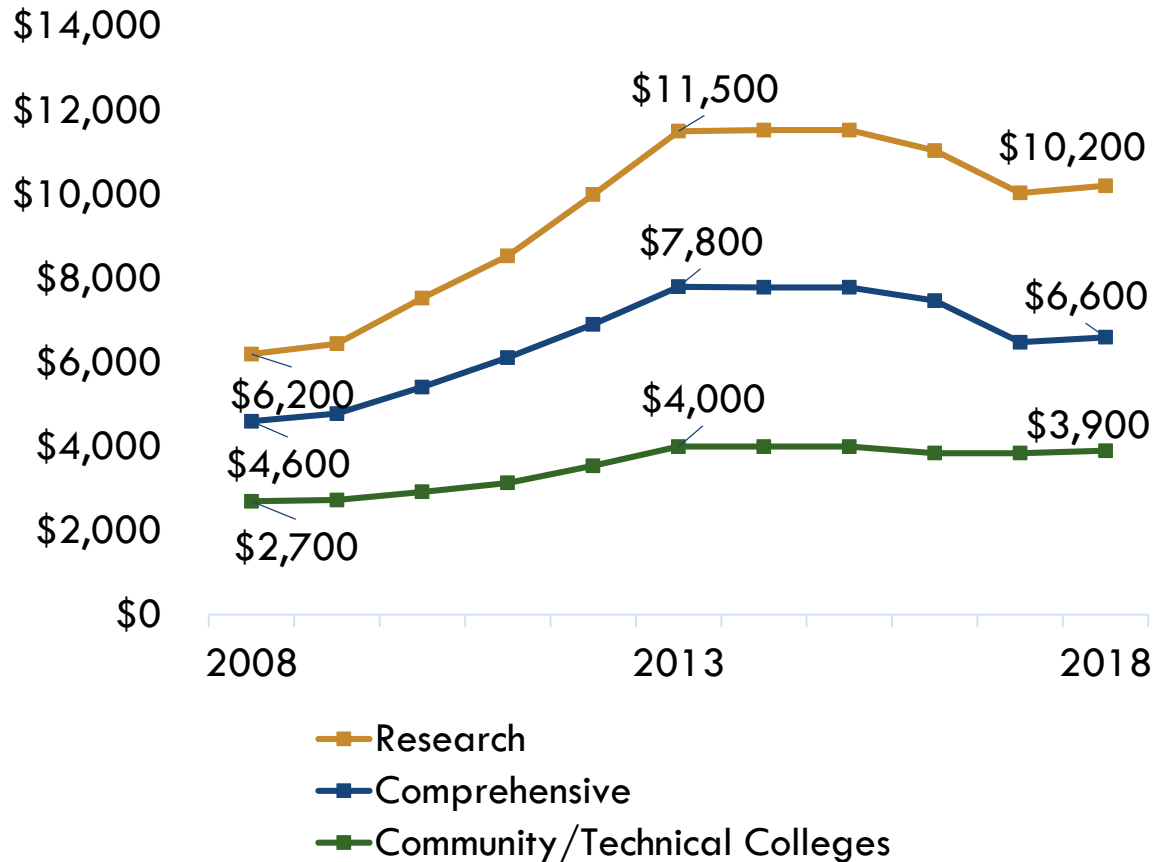




# Volatility in Tuition Rates Impacts Affordability

Following steep increases during the recession, tuition held steady and made unprecedented decreases.

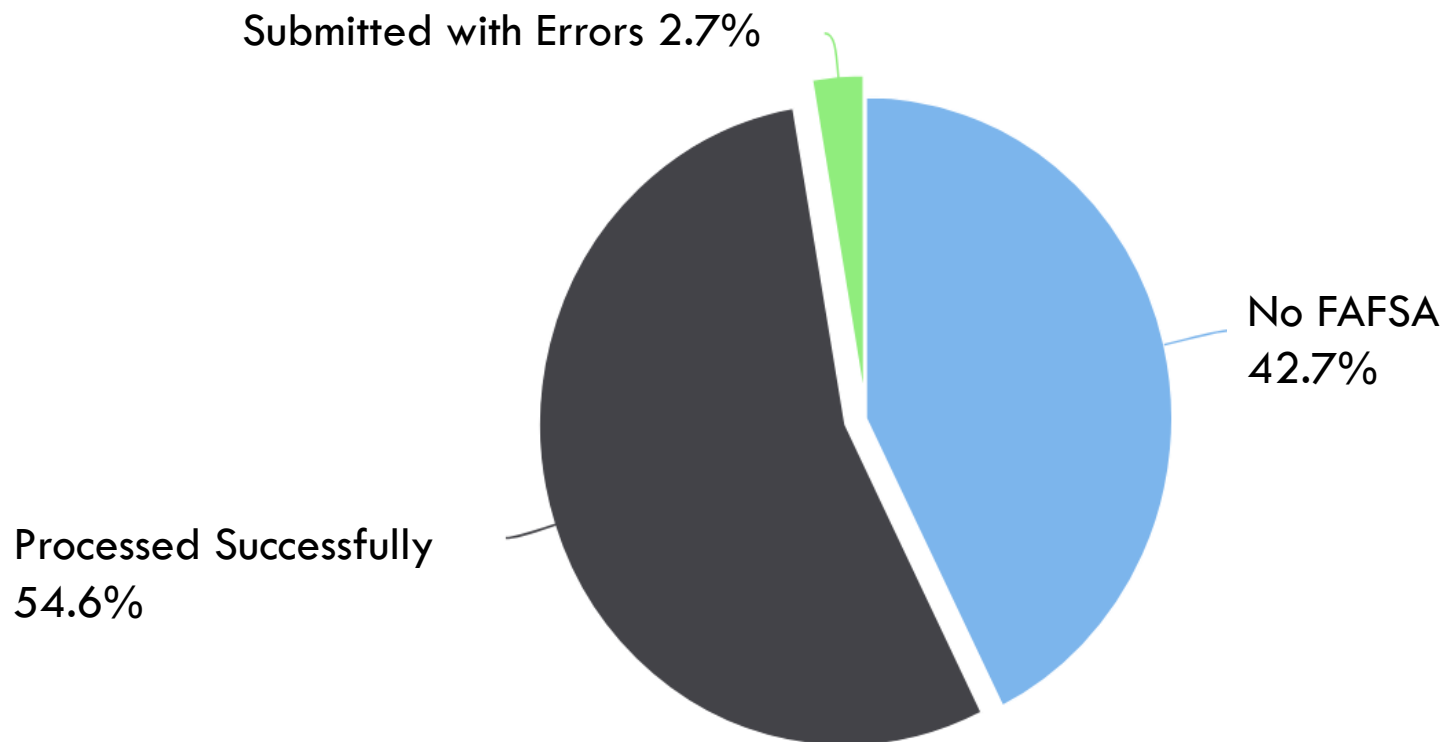
### Washington Resident Undergraduate Public Tuition Rates





# Nearly Half of Seniors Are Completing the FAFSA

## Washington Public HS Seniors FAFSA Completion 2017-18

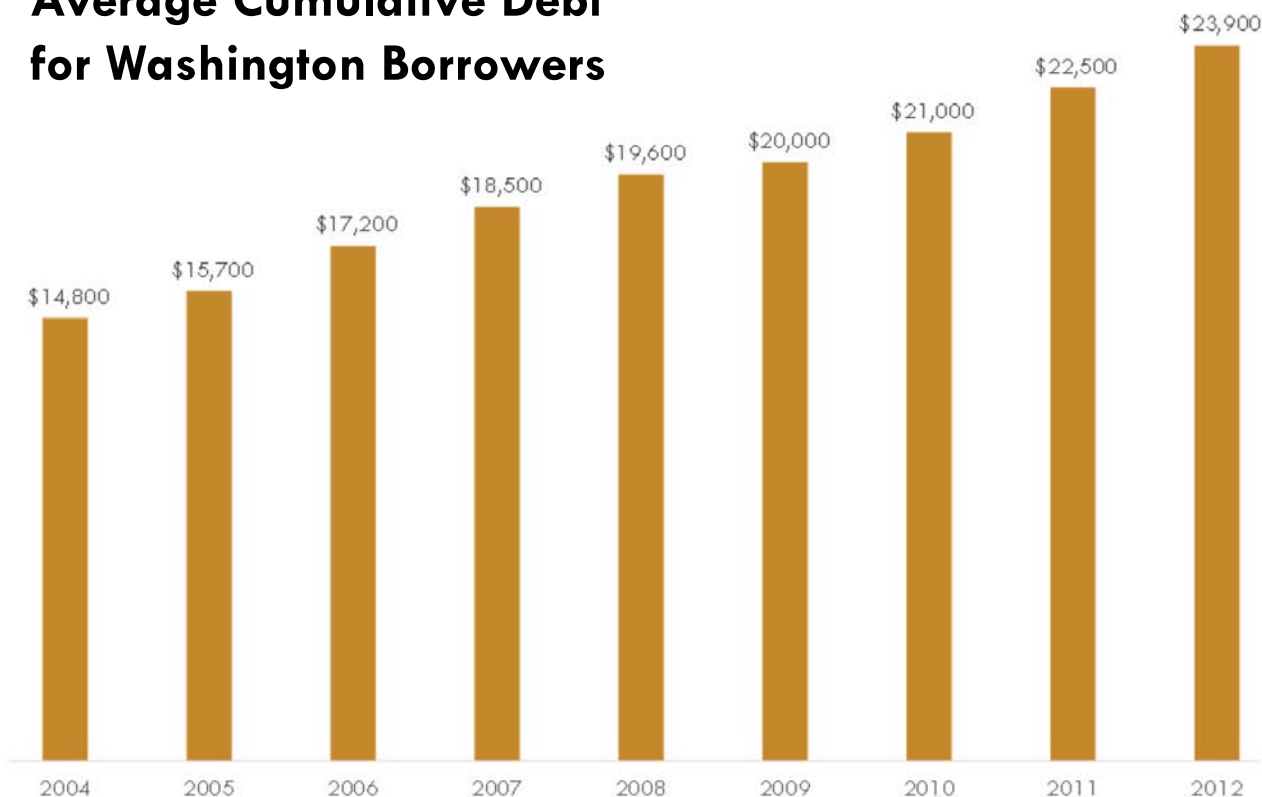




## Borrowing Levels Have Risen Over the Past Decade

Affordability constraints reduce the number of students realizing their educational aspirations.

### Average Cumulative Debt for Washington Borrowers



Source: Federal Reserve Bank of New York Consumer Credit Panel



## State Student Financial Aid

Washington provides need-based aid to ensure low-income students have an equal opportunity to participate in higher education.



# Washington Has Strong State Aid Programs

Programs target low-income students, high-demand fields, and work-based learning.

Grants  
(need-based)

State Need Grant  
College Bound Scholarship

Opportunity Grant (SBCTC)

Merit Partnerships

WA Opportunity Scholarship program (WA STEM)

Leadership 1000 (CSF)

Workforce

State Work Study

Loan Forgiveness or Repayment – Teachers & Health

Population Targets

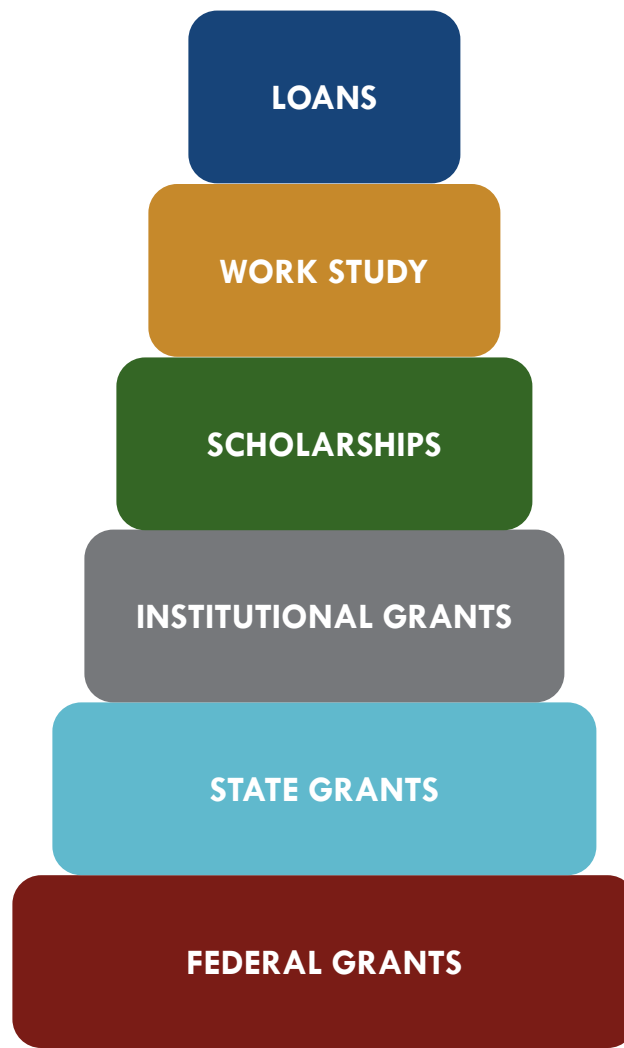
Passport to Careers

Worker Retraining, BFET & Workfirst (SBCTC)



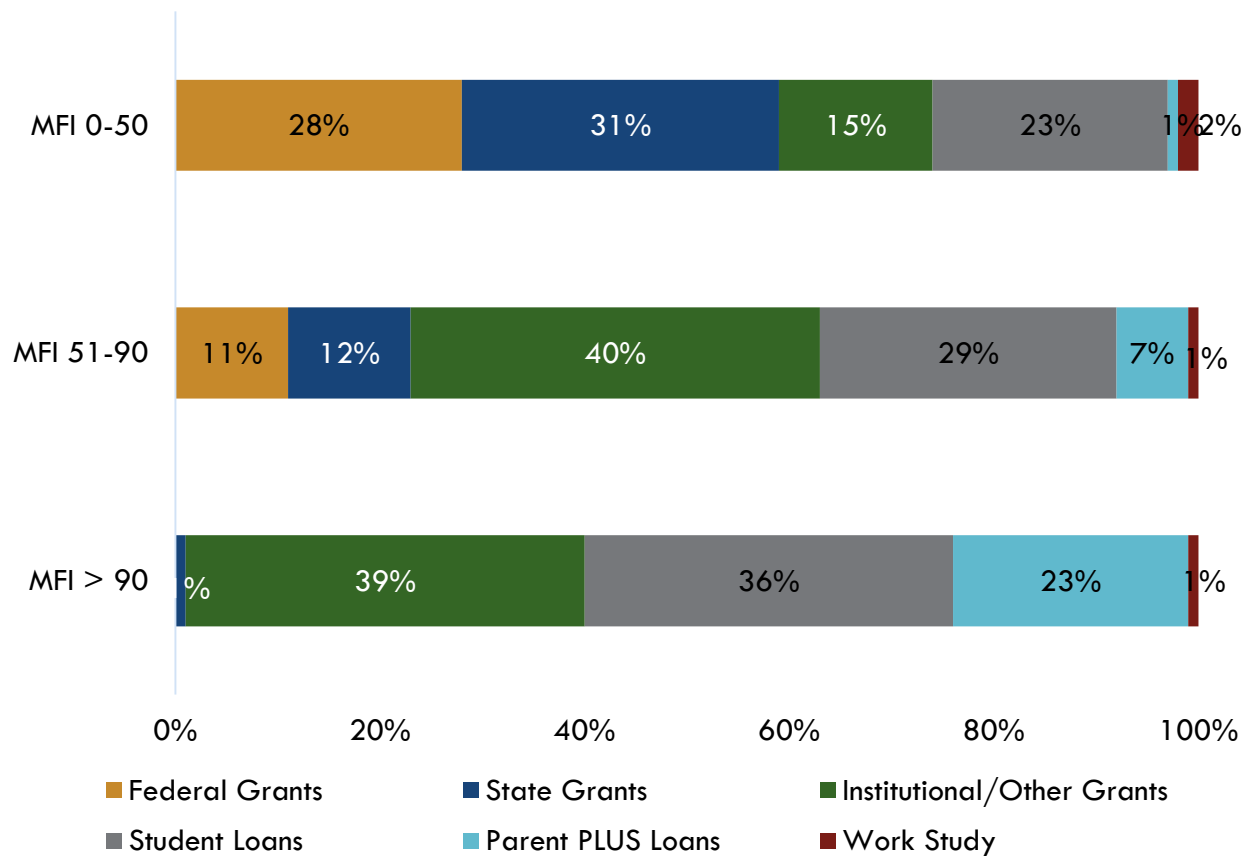
## Financial Aid Packaging

- Institution will build optimal package based on eligibility and program rules.
- Institution policies will determine which students are selected for discretionary programs.





## Financial Aid Packages Vary by Income



- Low-income students have financial gaps.
- Institutional aid supports middle income.
- Students are borrowing at all income levels.

Source: Washington Student Achievement Council. *Unit Record Report, 2007-08 and 2015-16 (CB12121 1/13/2017)*.  
[WA resident undergraduate need-based recipients by Median Family Income (MFI). Student loans without PLUS].



## Grant Programs Serve Different Students

	State Need Grant	College Bound Scholarship	WA Opportunity Scholarship	SBCTC Opportunity Grant
Number Students	68,500	16,000	3,000	4,600
% Two-Year	57%	42%	13%	100%
% Four-Year	43%	58%	87%	
% Younger than 24	59%	100%	98%	21%
% Dependent & Avg. Income	46% \$29,200	91% \$30,100	93% \$53,600	10% \$25,700
% Independent & Avg. Income	54% \$16,000	9% \$9,000	7% \$16,500	90% \$16,200
Students of Color	47%	65%	58%	48%
Have Children	24%	3%	1%	49%

Note: State aid student profile, 2016-17. Unit Record Report.





## Washington's Commitment to Aid Supports "Promise" Programs

Washington is nationally recognized for its commitment to financial aid.

State Need Grant (SNG) has supported low-income undergraduate students for 50 years.

Grant aid is a critical strategy to reach the state's attainment goals.

College Bound is an early college promise program.

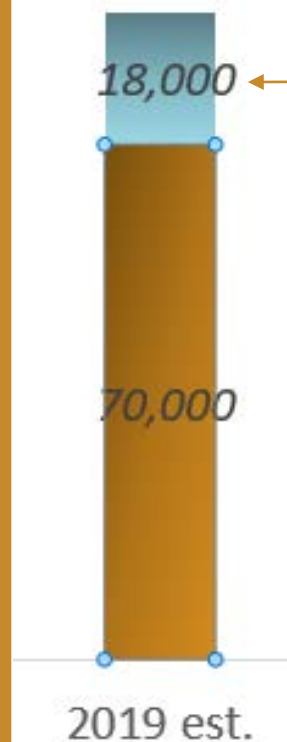
Local promise programs rely on state aid.

Forecasted and rebranded SNG will simplify messaging and provide predictability.



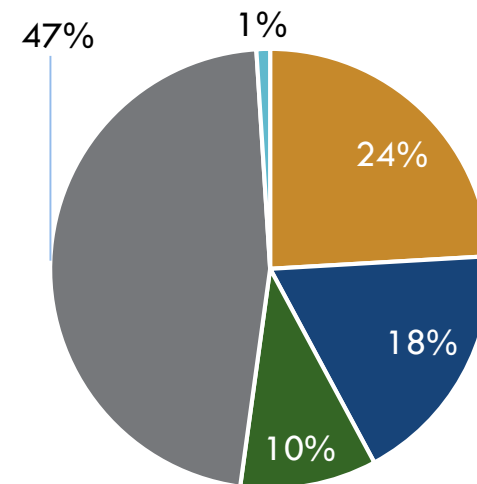
## State Need Grant Is the State's Largest Aid Program

- State Need Grant lacks resources to fund eligible students.
  - 45% students of color
  - 1/4 have children
  - Over 40% are older than 24



Eligible but unserved

Unserved SNG Students 2017-18 by Sector

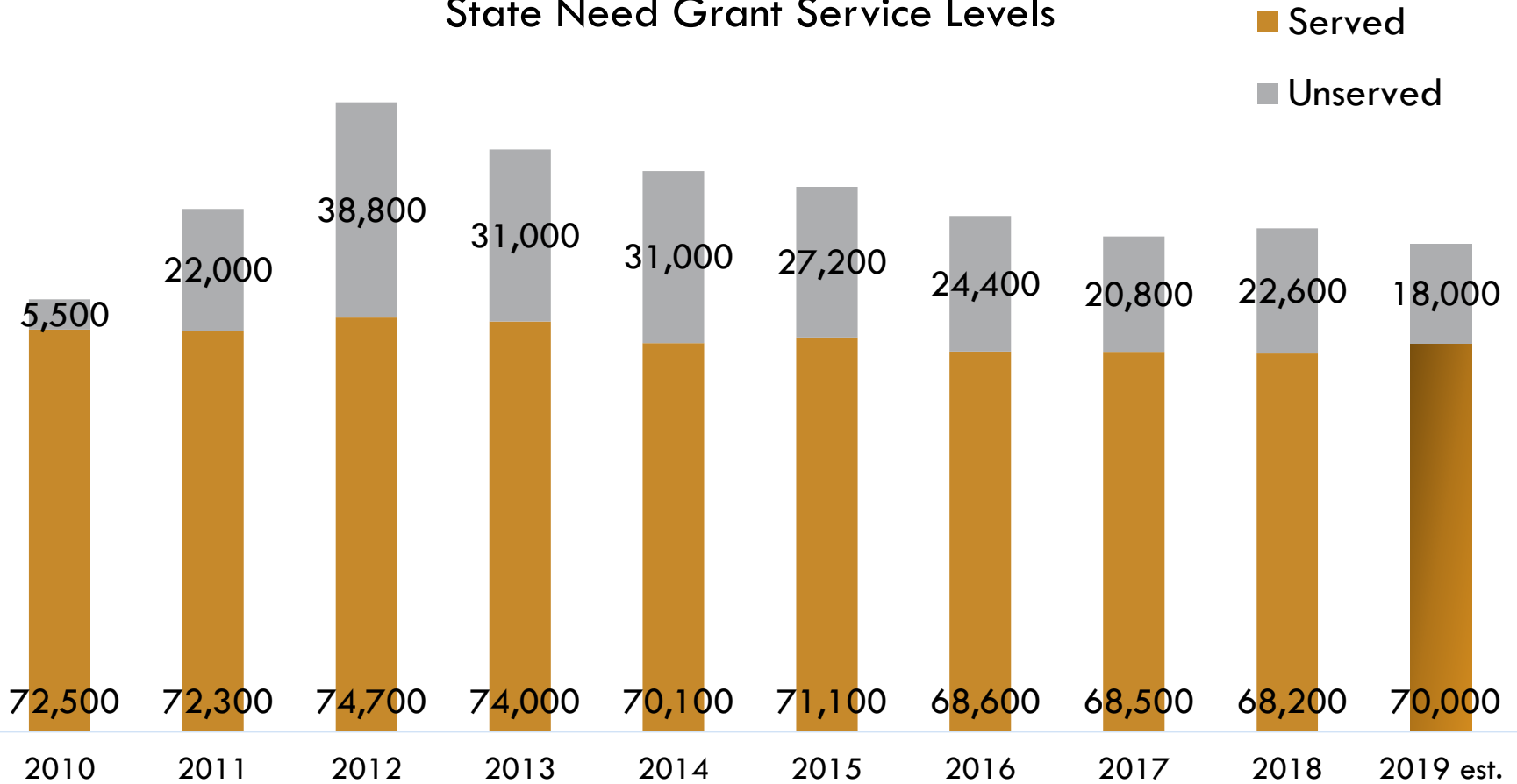


■ Research ■ Regional ■ Private 4 ■ CTC ■ Private 2



# Large Numbers of Students Remain Unserved by SNG

## State Need Grant Service Levels





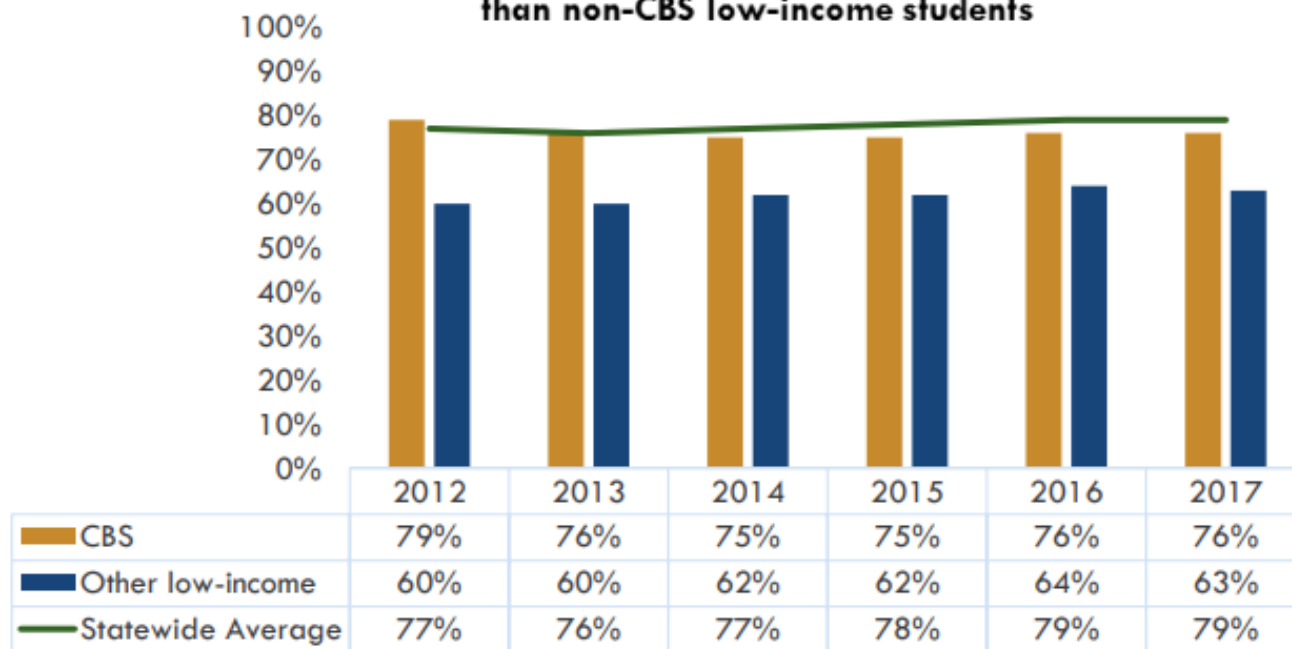
# Student Success



## CBS Students Are Graduating at Statewide Rates

- 61% of CBS Scholars are students of color.
- 20,000 recipients in 2019.
- Over 250,000 have signed up.
- All foster youth are automatically enrolled.

CBS students graduate from high school at higher rates than non-CBS low-income students

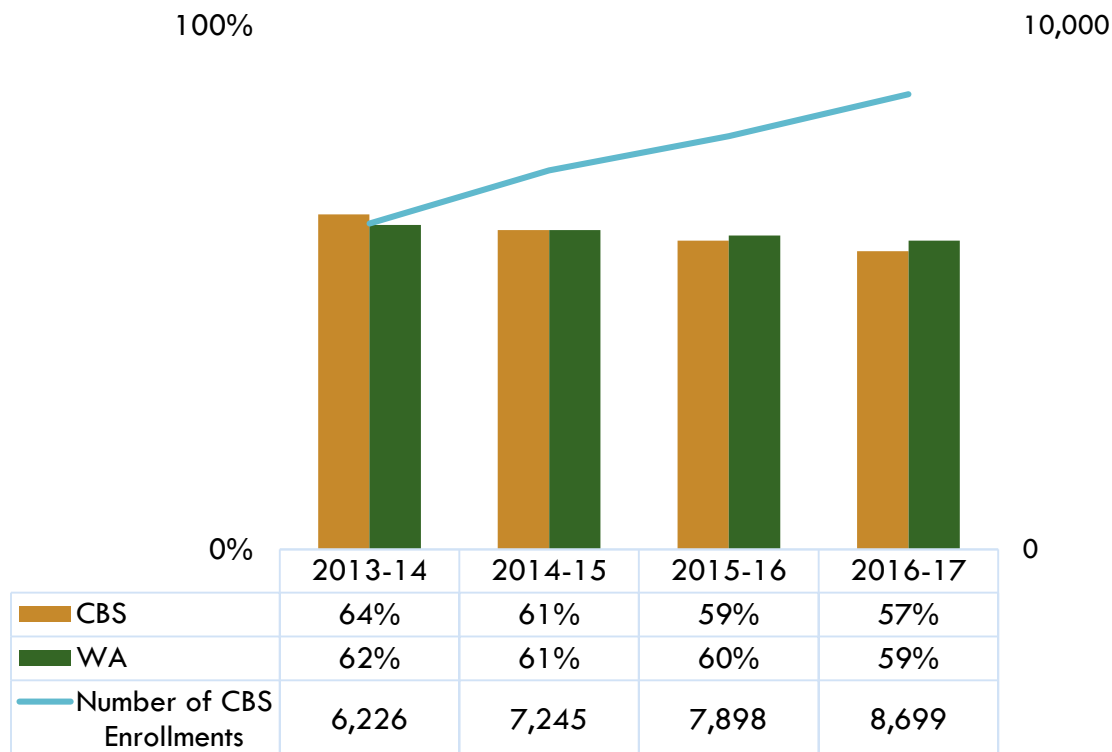




## CBS Students Perform Nearly as Well as Other Students

- 21,000 students are forecasted to enroll in 2020.
- About  $\frac{3}{4}$  of Scholars persist to the second year.

### Direct Postsecondary Enrollment rates of High School Graduates: College Bound vs. Washington



Source: WSAC Application Data matched to National Student Clearinghouse December 2017. ERDC High School Feedback Report.



## State Need Grant leads to improved student outcomes

Receipt of State Need Grant is associated with higher re-enrollment and completion rates.

- A 25% change in the SNG award amount results in a 4 to 8 percentage point change in completion rates for the lowest income students.

(WSIPP Study: Bania, N., Burley, M., & Pennucci, A., 2013)

State Need Grant leads to higher retention in the CTCs.

- 71% of SNG students who start in the fall remain enrolled compared to 59% of unserved students.

(SBCTC, 2013)

Lack of State Need Grant leads to increased borrowing, changes in living circumstances, increased work hours, and adjustments to educational plans.

(WSAC student survey, 2013)



## Public four-year State Need Grant student outcomes

**SNG students graduate at rates slightly below all students.**

- 66% compared to 70% for high school direct.

**Transfer students who receive SNG have equal or improved outcomes.**

- Graduation rate 76% compared to 73% statewide.

**Course completion is at 92% compared to 93% for non-SNG students.**

Source: Office of Financial Management. Education Research Data Center (ERDC) Dashboard, fall 2011 start year.





## Continue the conversation

Becky Thompson

[beckyt@wsac.wa.gov](mailto:beckyt@wsac.wa.gov)

360.753.7840