

## May Council Committee Agenda

<b>Committee for Funding and Affordability (CFA)</b>	
<b>The Committee for Funding and Affordability will address issues related to state funding policy, tuition policy, student financial aid, and college savings. This includes the three Roadmap actions below.</b>	
Action Items:	Upcoming Scheduled Meeting Times
<ul style="list-style-type: none"> <li>● <b>Make college affordable.</b></li> </ul>	Mon, January 27 – 2:30 to 4 p.m.
<ul style="list-style-type: none"> <li>● <b>Ensure cost is not a barrier for low income students.</b></li> </ul>	Mon, March 24 -9 to 10:30 a.m.
<ul style="list-style-type: none"> <li>● Help students and families save for postsecondary education.</li> </ul>	Mon, May 19 - 9 to 10:30 a.m.
<b>STAKEHOLDER MEMBERS</b> Tom Fitzsimmons (ICW) <a href="mailto:Tom@icwashington.org">Tom@icwashington.org</a> Devon Crouch <a href="mailto:Devon@ICWashington.org">Devon@ICWashington.org</a> JoLynn Berge (OSPI) <a href="mailto:jolynn.berge@k12.wa.us">jolynn.berge@k12.wa.us</a> T.J. Kelly (OSPI) <a href="mailto:Thomas.Kelly@k12.wa.us">Thomas.Kelly@k12.wa.us</a> Eleni Papadakis (WTB) <a href="mailto:EPapadakis@wtb.wa.gov">EPapadakis@wtb.wa.gov</a> Nova Gattman (WTB) <a href="mailto:nova.gattman@wtb.wa.gov">nova.gattman@wtb.wa.gov</a> Justin Montermini (WTB) <a href="mailto:Justin.montermini@wtb.wa.gov">Justin.montermini@wtb.wa.gov</a> Cody Eccles (COP) <a href="mailto:ceccles@cop.wsu.edu">ceccles@cop.wsu.edu</a> Paul Francis (COP) <a href="mailto:PFrancis@cop.wsu.edu">PFrancis@cop.wsu.edu</a> Denise Graham (SBCTC) <a href="mailto:dgraham@sbctc.edu">dgraham@sbctc.edu</a> Jayme Shoun (student voice) <a href="mailto:aswsuv.dla@vancouver.wsu.edu">aswsuv.dla@vancouver.wsu.edu</a> Brian McQuay (student voice) <a href="mailto:briandmcquayjr@yahoo.com">briandmcquayjr@yahoo.com</a>	<b>Wed, July 23 – 1:30 to 3:30 p.m.</b> Wed, September 17 - 9 to 10:30 a.m. Wed, October 29 - 9 to 10:30 a.m.  <b>LOCATION OF MEETINGS:</b> WSAC Offices  <b>WSAC MEMBERS</b> Paul, Marty, Karen, Maud <b>Staff: <u>Marc Webster</u></b> , Rachele, Christy
<b>July 23rd Meeting Agenda:</b> <ul style="list-style-type: none"> <li>● Review Our Charge: The 2014 Strategic Action Plan               <ul style="list-style-type: none"> <li>○ Need Grant review and request for funding</li> <li>○ Funding policy</li> </ul> </li> <li>● Telling the Story               <ul style="list-style-type: none"> <li>○ How do we package/deploy resources to create a more affordable system?</li> </ul> </li> <li>● Nate Johnson (HCM Strategists/Postsecondary Analytics) – Funding Policy Options</li> <li>● Discussion – what’s missing? What’s most promising?</li> <li>● How do we address other values?               <ul style="list-style-type: none"> <li>○ Accountability/Performance</li> <li>○ Access</li> <li>○ Quality</li> </ul> </li> <li>● What recommendations does the group have for the 2014 Strategic Action Plan?</li> <li>● Next Steps</li> </ul>	



# POLICY OPTIONS FOR AFFORDABILITY AND STATE NEED GRANT: PRELIMINARY DRAFT

*Nate Johnson, Senior Consultant*  
*July 23, 2014*

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# Questions to Be Addressed

*Given Washington's current tuition and financial aid structure, what are the state's policy options to increase opportunity for resident students?*

*What are options to develop a comprehensive higher education funding policy that is predictable for students and families and maintains funding and flexibility for institutions?*

*Within State Need Grant:*

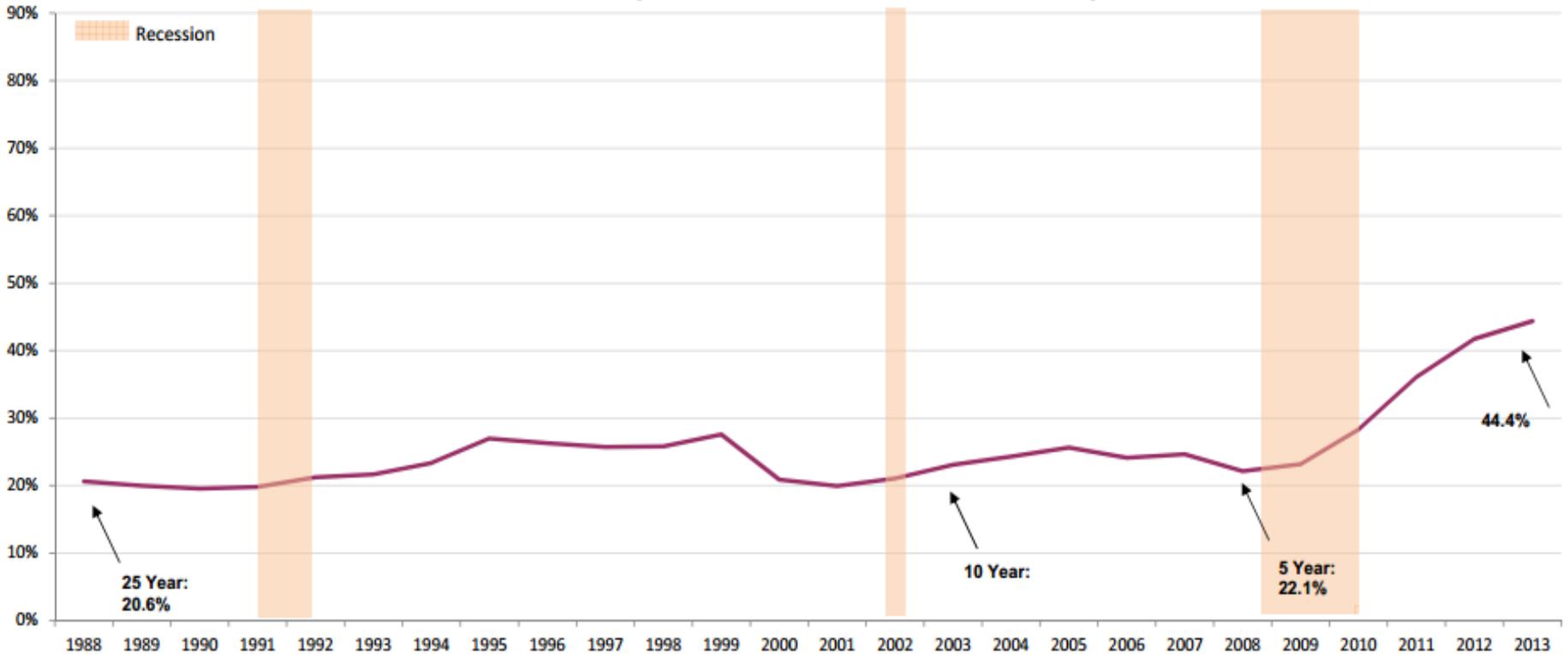
- Should more students be served within existing funds?*
- Are grant dollars targeted in a way that maximizes student success?*
- Should the state continue to use the secondary median family income?*
- Should awards continue to be tied to public tuition?*
- Should any of the policies be modified to support student success?*

# Context for These Questions

- “Roadmap” for education with 70% postsecondary attainment goal
- New funding landscape: tuition = 44% (or more) of public higher education revenues in FY 2013 vs. 22% in FY 2008
- \$1,000 increase in two-year, \$4,000 increase in four-year tuition in constant dollars (current two-year freeze)
- 1<sup>st</sup> in nation in need-based financial aid/FTE
- But... State Need Grant budget no longer keeps up with its design

# Tuition Share of Total Education Revenues (SHEEO)

Net Tuition as a Percent of Public Higher Education Total Educational Revenue, Washington, Fiscal 1988-2013



Note: Net tuition revenue used for capital debt service is include in net tuition revenue, but excluded from total education revenue in calculating the above figures.

Source: State Higher Education Executive Officers

# Affordability Option 1: Clarify the Policy and Funding Framework

- Establish a common framework for affordability that allows for clear, evidence-based discussion of policy options, even among those who disagree.
- Key terms / concepts
  - Costs
  - Resources
  - Affordability = Balance between costs and resources
  - Students = All current and potential future WA students
- Examples: Minnesota, California

Costs

# Possible Framework

- **Level I: Unaffordability.** A student or family is unable to access even one viable pathway to a bachelor's degree because of resource constraints.
- **Level II: Minimal affordability.** A student or family has the resources for at least one viable pathway to a bachelor's degree, including significant part-time work and student loans.
- **Level III: Moderate affordability.** A student or family has the resources they need to choose among several higher options, including light part-time work and modest levels of loans; some options may still be too expensive.
- **Level IV: Total affordability.** A student or family has the resources to make choices among all available higher education options for which they are qualified, with no need for part time work or student loans.

# Target Audience for Policy: WA Students *and* Potential Students

	# of Washington Freshmen in 2011-12	% of Washington Students (First-Time)
All In-State Students	35,276	76%
Research Universities (incl Bothell/Tacoma)	8,677	19%
Comprehensive Universities and Evergreen	5,428	12%
Community and Technical Colleges	15,271	33%
Private Nonprofit Four-Year Colleges	3,077	7%
Out of State	10,958	24%
All Washington FTIC Freshmen	46,234	
WA residents not in college who could be	?	
Nontraditional (nonfreshmen) students enrolled out of state	?	

# Estimating Full Costs

- Institutions' costs (not same as tuition)
- Students' other direct and indirect costs (opportunity cost)
- Full length of program (e.g. 2 years for associate degree, 4 years for bachelor's)
- All potential Washington students (not just those currently served)

# Estimating Costs (Discussion Example: Draft Numbers Will Change)

	Institution's Cost Per FTE Student	Books and Supplies	Opportunity Cost
<b><i>All In-State Students</i></b>	<b>\$ 13,664</b>	<b>\$ 1,200</b>	<b>\$ 12,492</b>
Research Universities (incl Bothell/Tacoma)	\$ 23,334	\$ 1,200	\$ 12,492
Comprehensive Universities and Evergreen	\$ 11,090	\$ 1,200	\$ 12,492
Community and Technical Colleges	\$ 8,526	\$ 1,200	\$ 12,492
Private Nonprofit Four-Year Colleges	\$ 23,371	\$ 1,200	\$ 12,492
Out of State	\$ 21,840	\$ 1,200	\$ 12,492
All Washington FTIC Freshmen	\$ 15,629	\$ 1,200	\$ 12,492

# Total Cost Summary

	Total Cost for One Year	Cost of Associate Degree Completed in Two Years	Cost of Bachelor's Degree Completed in Four Years
<b><i>All In-State Students</i></b>	<b>\$ 27,356</b>		<b>\$ 109,422</b>
Research Universities (incl Bothell/Tacoma)	\$ 37,025		\$ 148,102
Comprehensive Universities and Evergreen	\$ 24,781		\$ 99,125
Community and Technical Colleges	\$ 22,218	\$ 44,436	\$ 93,999
Private Nonprofit Four-Year Colleges	\$ 37,063		\$ 148,250
Out-of-State	\$ 35,532		\$ 142,126
All Washington FTIC Freshmen	\$ 29,321		\$ 117,282

# Estimating Resources

- Resident tuition rate as a form of state aid
- Parent/family resources (income/savings)
- Federal subsidies
  - Pell grants
  - Tax credits
- State financial aid programs
- Student self-help
  - Work (on or off campus)
  - Borrowing
- Institutional/private financial aid

# Estimating the Invisible Scholarship in Resident Tuition

	<b>2011-12 Education and Related Cost</b>	<b>2011-12 Avg Tuition</b>	<b>Estimated "Invisible Scholarship" for All Resident Students</b>	<b>"Invisible Scholarship" for Undergraduate Associate or Bachelor's Degree</b>
Public Research	\$ 23,334	\$ 10,684	\$ 12,650	\$ 50,599
Comprehensives and Evergreen	\$ 11,090	\$ 7,622	\$ 3,468	\$ 13,872
Community and Technical Colleges	\$ 8,526	\$ 3,602	\$ 4,924	\$ 16,784

# Cost of Bachelor's Degree after "Invisible Scholarship" for Residents

1) SUBTRACT DIRECT STATE SUPPORT FOR INSTITUTIONS FROM OVERALL COST					
		Lowest Income (Under \$30,000 for family of 4) or Independent Student	Lower Income= ~ \$60,000	Middle Income= ~\$80,000	Upper Middle= ~\$120,000
<b>Research Univs.</b>	Estimated Amount	\$ 50,599	\$ 50,599	\$ 50,599	\$ 50,599
	<b>Remaining</b>	<b>\$ 97,502</b>	<b>\$ 97,502</b>	<b>\$ 97,502</b>	<b>\$ 97,502</b>
<b>Comprehensive Univs.</b>	Estimated Amount	\$ 13,872	\$ 13,872	\$ 13,872	\$ 13,872
	<b>Remaining</b>	<b>\$ 85,253</b>	<b>\$ 85,253</b>	<b>\$ 85,253</b>	<b>\$ 85,253</b>
<b>Community and Technical Colleges</b>	Estimated Amount	\$ 16,784	\$ 16,784	\$ 16,784	\$ 16,784
	<b>Remaining</b>	<b>\$ 77,215</b>	<b>\$ 77,215</b>	<b>\$ 77,215</b>	<b>\$ 77,215</b>
<b>Private Nonprofit (WA)</b>	Estimated Amount	\$ -	\$ -	\$ -	\$ -
	<b>Remaining</b>	<b>\$ 148,250</b>	<b>\$ 148,250</b>	<b>\$ 148,250</b>	<b>\$ 148,250</b>
<b>Out of State</b>	Estimated Amount	\$ -	\$ -	\$ -	\$ -
	<b>Remaining</b>	<b>\$ 142,126</b>	<b>\$ 142,126</b>	<b>\$ 142,126</b>	<b>\$ 142,126</b>

# Cost after Parent/Family Resources

2) SUBTRACT ESTIMATED FAMILY/PARENT RESOURCES (NOT THE STUDENT'S)					
		Lowest Income (Under \$30,000 for family of 4) or Independent Student	Lower Income= ~ \$60,000	Middle Income= ~\$80,000	Upper Middle= ~\$120,000
<b>Research Univs.</b>	Estimated Amount	\$ -	\$ 18,200	\$ 39,428	\$ 86,316
	<b>Remaining</b>	<b>\$ 97,502</b>	<b>\$ 79,302</b>	<b>\$ 58,074</b>	<b>\$ 11,186</b>
<b>Comprehensive Univs.</b>	Estimated Amount	\$ -	\$ 18,200	\$ 39,428	\$ 86,316
	<b>Remaining</b>	<b>\$ 85,253</b>	<b>\$ 67,053</b>	<b>\$ 45,825</b>	<b>\$ (1,063)</b>
<b>Community and Technical Colleges</b>	Estimated Amount	\$ -	\$ 18,200	\$ 39,428	\$ 86,316
	<b>Remaining</b>	<b>\$ 77,215</b>	<b>\$ 59,015</b>	<b>\$ 37,787</b>	<b>\$ (9,101)</b>
<b>Private Nonprofit (WA)</b>	Estimated Amount	\$ -	\$ 18,200	\$ 39,428	\$ 86,316
	<b>Remaining</b>	<b>\$ 148,250</b>	<b>\$ 130,050</b>	<b>\$ 108,822</b>	<b>\$ 61,934</b>
<b>Out of State</b>	Estimated Amount	\$ -	\$ 18,200	\$ 39,428	\$ 86,316
	<b>Remaining</b>	<b>\$ 142,126</b>	<b>\$ 123,926</b>	<b>\$ 102,698</b>	<b>\$ 55,810</b>

# Cost after Pell Grants

3) SUBTRACT FEDERAL PELL GRANTS					
		Lowest Income (Under \$30,000 for family of 4) or Independent Student	Lower Income (\$60,000)	Middle Income (\$80,000)	Upper Middle (\$120,000)
<b>Research Univs.</b>	Estimated Amount	\$ 22,200	\$ 4,000	\$ -	\$ -
	<b>Remaining</b>	<b>\$ 75,302</b>	<b>\$ 75,302</b>	<b>\$ 58,074</b>	<b>\$ 11,186</b>
<b>Comprehensive Univs.</b>	Estimated Amount	\$ 22,200	\$ 4,000	\$ -	\$ -
	<b>Remaining</b>	<b>\$ 63,053</b>	<b>\$ 63,053</b>	<b>\$ 45,825</b>	<b>\$ (1,063)</b>
<b>Community and Technical Colleges</b>	Estimated Amount	\$ 22,200	\$ 4,000	\$ -	\$ -
	<b>Remaining</b>	<b>\$ 55,015</b>	<b>\$ 55,015</b>	<b>\$ 37,787</b>	<b>\$ (9,101)</b>
<b>Private Nonprofit (WA)</b>	Estimated Amount	\$ 22,200	\$ 4,000	\$ -	\$ -
	<b>Remaining</b>	<b>\$ 126,050</b>	<b>\$ 126,050</b>	<b>\$ 108,822</b>	<b>\$ 61,934</b>
<b>Out of State</b>	Estimated Amount	\$ 22,200	\$ 4,000	\$ -	\$ -
	<b>Remaining</b>	<b>\$ 119,926</b>	<b>\$ 119,926</b>	<b>\$ 102,698</b>	<b>\$ 55,810</b>

# Cost after Federal Tax Credits

4) SUBTRACT FEDERAL TAX CREDITS					
		Lowest Income (Under \$30,000 for family of 4) or Independent Student	Lower Income (\$60,000)	Middle Income (\$80,000)	Upper Middle (\$120,000)
<b>Research Univs.</b>	Estimated Amount	\$ 4,000	\$ 10,000	\$ 10,000	\$ 10,000
	<b>Remaining</b>	<b>\$ 71,302</b>	<b>\$ 65,302</b>	<b>\$ 48,074</b>	<b>\$ 1,186</b>
<b>Comprehensive Univs.</b>	Estimated Amount	\$ 4,000	\$ 10,000	\$ 10,000	\$ 10,000
	<b>Remaining</b>	<b>\$ 59,053</b>	<b>\$ 53,053</b>	<b>\$ 35,825</b>	<b>\$ (11,063)</b>
<b>Community and Technical Colleges</b>	Estimated Amount	\$ 4,000	\$ 10,000	\$ 10,000	\$ 10,000
	<b>Remaining</b>	<b>\$ 51,015</b>	<b>\$ 45,015</b>	<b>\$ 27,787</b>	<b>\$ (19,101)</b>
<b>Private Nonprofit (WA)</b>	Estimated Amount	\$ 4,000	\$ 10,000	\$ 10,000	\$ 10,000
	<b>Remaining</b>	<b>\$ 122,050</b>	<b>\$ 116,050</b>	<b>\$ 98,822</b>	<b>\$ 51,934</b>
<b>Out of State</b>	Estimated Amount	\$ 4,000	\$ 10,000	\$ 10,000	\$ 10,000
	<b>Remaining</b>	<b>\$ 115,926</b>	<b>\$ 109,926</b>	<b>\$ 92,698</b>	<b>\$ 45,810</b>

# Cost after State Need Grant (current budget, reallocated to cover all 50% MFI)

5) SUBTRACT STATE NEED GRANT FOR STUDENTS/FAMILIES UP TO 50% OF MEDIAN					
		Lowest Income (Under \$30,000 for family of 4) or Independent Student	Lower Income= ~ \$60,000	Middle Income= ~\$80,000	Upper Middle= ~\$120,000
Research Univs.	Estimated Amount	\$ 43,472	\$ -	\$ -	\$ -
	<b>Remaining</b>	<b>\$ 27,830</b>	<b>\$ 65,302</b>	<b>\$ 48,074</b>	<b>\$ 1,186</b>
Comprehensive Univs.	Estimated Amount	\$ 30,013	\$ -	\$ -	\$ -
	<b>Remaining</b>	<b>\$ 29,040</b>	<b>\$ 53,053</b>	<b>\$ 35,825</b>	<b>\$ (11,063)</b>
Community and Technical Colleges	Estimated Amount	\$ 29,790	\$ -	\$ -	\$ -
	<b>Remaining</b>	<b>\$ 21,225</b>	<b>\$ 45,015</b>	<b>\$ 27,787</b>	<b>\$ (19,101)</b>
Private Nonprofit (WA)	Estimated Amount	\$ 34,068	\$ -	\$ -	\$ -
	<b>Remaining</b>	<b>\$ 87,982</b>	<b>\$ 116,050</b>	<b>\$ 98,822</b>	<b>\$ 51,934</b>
Out of State	Estimated Amount	\$ -	\$ -	\$ -	\$ -
	<b>Remaining</b>	<b>\$ 115,926</b>	<b>\$ 109,926</b>	<b>\$ 92,698</b>	<b>\$ 45,810</b>

# Cost after Student's Part-Time Work

6) ESTIMATE STUDENT'S CONTRIBUTION FROM PART-TIME WORK					
		Lowest Income (Under \$30,000 for family of 4) or Independent Student	Lower Income (\$60,000)	Middle Income (\$80,000)	Upper Middle (\$120,000)
Research Univs.	Estimated Amount	\$ 18,716	\$ 18,716	\$ 18,716	\$ 18,716
	<b>Remaining</b>	<b>\$ 9,114</b>	<b>\$ 46,586</b>	<b>\$ 29,358</b>	<b>\$ (17,530)</b>
Comprehensive Univs.	Estimated Amount	\$ 18,716	\$ 18,716	\$ 18,716	\$ 18,716
	<b>Remaining</b>	<b>\$ 10,325</b>	<b>\$ 34,337</b>	<b>\$ 17,109</b>	<b>\$ (29,779)</b>
Community and Technical Colleges	Estimated Amount	\$ 18,716	\$ 18,716	\$ 18,716	\$ 18,716
	<b>Remaining</b>	<b>\$ 2,509</b>	<b>\$ 26,299</b>	<b>\$ 9,071</b>	<b>\$ (37,817)</b>
Private Nonprofit (WA)	Estimated Amount	\$ 18,716	\$ 18,716	\$ 18,716	\$ 18,716
	<b>Remaining</b>	<b>\$ 69,267</b>	<b>\$ 97,335</b>	<b>\$ 80,107</b>	<b>\$ 33,219</b>
Out of State	Estimated Amount	\$ 18,716	\$ 18,716	\$ 18,716	\$ 18,716
	<b>Remaining</b>	<b>\$ 97,211</b>	<b>\$ 91,211</b>	<b>\$ 73,983</b>	<b>\$ 27,095</b>

# Cost after Loans

7) ESTIMATE STUDENT'S CONTRIBUTION FROM SUBSIDIZED STUDENT LOANS					
		Lowest Income (Under \$30,000 for family of 4) or Independent Student	Lower Income (\$60,000)	Middle Income (\$80,000)	Upper Middle (\$120,000)
Research Univs.	Estimated Amount	\$ 20,000	\$ 20,000	\$ 20,000	\$ 20,000
	<b>Remaining</b>	<b>\$ (10,886)</b>	<b>\$ 26,586</b>	<b>\$ 9,358</b>	<b>\$ (37,530)</b>
Comprehensive Univs.	Estimated Amount	\$ 20,000	\$ 20,000	\$ 20,000	\$ 20,000
	<b>Remaining</b>	<b>\$ (9,675)</b>	<b>\$ 14,337</b>	<b>\$ (2,891)</b>	<b>\$ (49,779)</b>
Community and Technical Colleges	Estimated Amount	\$ 15,000	\$ 15,000	\$ 15,000	\$ 15,000
	<b>Remaining</b>	<b>\$ 2,515</b>	<b>\$ 11,299</b>	<b>\$ (5,929)</b>	<b>\$ (52,817)</b>
Private Nonprofit (WA)	Estimated Amount	\$ 20,000	\$ 20,000	\$ 20,000	\$ 20,000
	<b>Remaining</b>	<b>\$ 49,267</b>	<b>\$ 77,335</b>	<b>\$ 60,107</b>	<b>\$ 13,219</b>
Out of State	Estimated Amount	\$ 20,000	\$ 20,000	\$ 20,000	\$ 20,000
	<b>Remaining</b>	<b>\$ 77,211</b>	<b>\$ 71,211</b>	<b>\$ 53,983</b>	<b>\$ 7,095</b>

# Affordability Option 2: Establish and communicate key concepts and messages

Examples:

*"Every student paying in-state tuition is getting a 'scholarship' from the state. Tuition is lower for state residents because every Washington resident who is academically qualified is entitled to a public higher education in which the state shares some part of the cost."*

*"Students can reasonably be expected to work a limited number of hours while in college, but not so much that it prevents them from progressing on time to a degree."*

*"Many students will need to borrow to meet the costs of attending college, but should strive to keep total indebtedness below X."*

*"Most families with incomes above X should start saving for college as soon as they have a child. While the state does not provide direct financial aid to these families, it does have a guaranteed savings plan that allows for gradual payments and locks in the cost of college."*

# Affordability Option 3: Treat Entire Higher Ed Budget As Affordability Mechanism

3a) Focus on institutions: outcomes-based funding for low-income student completion.

- State determines **what** the public policy goals are, institutions figure out **how** to get there
- Institutions would have to make themselves affordable to succeed
- Focus on gaps in existing funding incentives
- Example: Tennessee

# Affordability Option 3b

3b) Focus on students: tighten links between appropriations, tuition, and aid programs so state policy is clear for current and potential students and families.

- State establishes net cost levels for all or some students
- Appropriations and aid programs linked to those levels
- Institutional costs/efficiency agreements could be included
- Examples: Minnesota, New York

# Affordability Option 4: Focus on timing of payments/resources

- Promote long term savings plans, such as GET / other 529 plans; ensure that middle class families know that these are the primary affordability policies intended for them (and they are unlikely to qualify for financial aid)
- Expand, clarify and promote short-term payment plan options
- Allow advance use of federal tax credit to pay expenses
- Provide emergency financing, short-term forbearance on outstanding balances

Examples: MDRC study, Oklahoma, Georgia State

# State Need Grant Options

## Design principles for 70% attainment goal:

- Target the right students
- Size awards for maximum impact (award only as much as needed to achieve outcome)
- Make program simple and transparent for students
- Leverage dollars as both incentive and support
- Create predictability over time

# State Need Grant: Findings and Observations

- Program is effective but limited: WSIPP study was well-executed, consistent with other rigorous research
- Program is not transparent or predictable for students (exc. College Bound Scholars)
- Median Family Income is helpful as policy benchmark, but is flawed tool for allocation
- Program is only partially coordinated with the rest of state higher education budget and federal programs
- Support for program (idea of need-based aid) is very strong
- Smaller aid programs take disproportionate time and attention relative to budget (10% of aid, 1-2% of total) and likely impact

# State Need Grant Option 1: Serve More Students

- 1a) Increase funding (example: California)
- 1b) Use existing budget to cover all students at 50% or less MFI
  - Provide more transparency for at least some students
  - Plan for growth in participation/eligibility
- 1c) Use shared responsibility model to coordinate benefits

# Effect of Fully Funding All Currently Eligible Students

8) ESTIMATE EFFECT OF FULLY FUNDED STATE NEED GRANT					
		Lowest Income (Under \$30,000 for family of 4) or Independent Student	Lower Income (\$60,000)	Middle Income (\$80,000)	Upper Middle (\$120,000)
Research Univs.	Estimated Amount	\$ 43,472	\$ 21,736	\$ -	\$ -
	<b>Remaining</b>	<b>\$ (10,886)</b>	<b>\$ 4,850</b>	<b>\$ 9,358</b>	<b>\$ (37,530)</b>
Comprehensive Univs.	Estimated Amount	\$ 30,013	\$ 15,006	\$ -	\$ -
	<b>Remaining</b>	<b>\$ (9,675)</b>	<b>\$ (669)</b>	<b>\$ (2,891)</b>	<b>\$ (49,779)</b>
Community and Technical Colleges	Estimated Amount	\$ 29,790	\$ 14,895	\$ -	\$ -
	<b>Remaining</b>	<b>\$ (12,491)</b>	<b>\$ (3,596)</b>	<b>\$ (5,929)</b>	<b>\$ (52,817)</b>
Private Nonprofit (WA)	Estimated Amount	\$ 34,068	\$ 17,034	\$ -	\$ -
	<b>Remaining</b>	<b>\$ 49,267</b>	<b>\$ 60,301</b>	<b>\$ 60,107</b>	<b>\$ 13,219</b>
Out of State	Estimated Amount	\$ -	\$ -	\$ -	\$ -
	<b>Remaining</b>	<b>\$ 77,211</b>	<b>\$ 71,211</b>	<b>\$ 53,983</b>	<b>\$ 7,095</b>

# State Need Grant Option 2: Partially Centralize Award Responsibility

- Assign responsibility for communicating statewide message/commitment
- Establish award levels and eligibility parameters that can be fully funded
- Use very conservative estimates of demand; use 75-85% of appropriation for basic statewide allocation
- Reserve remaining 15-25% for institutions to allocate or for supplemental allocation (also serves as reserve)

# State Need Grant Option 3: Limit Use of Median Family Income

- Use clear income benchmarks to set minimum eligibility
- Establish a meaningful but limited minimum award (e.g. \$1,000)
- Use additional income/asset information to guide allocation up to maximum
- Coordinate with Pell/federal tax benefits (next to last dollar aid)

# State Need Grant Option 4: Expand Early Notification / Commitment Opportunities

- Build on College Bound Scholars as early commitment of SNG funds
- Identify other groups likely to qualify if/when they apply and establish firm commitments to them; e.g.
  - Place-bound transfer students
  - Students/families eligible for food stamps, Medicaid
  - Pell-eligible WA residents not enrolled in SNG institutions

# State Need Grant Option 5: Continue to Phase Out Smaller Programs

- Focus on single strategy and message
- If State Need Grant program is missing important priorities, adjust it
- Small programs are 10% of funds but larger proportion of time and focus

# State Need Grant Option 5: Support and Incentivize Progress

- Prorate awards based on 30 credit hours per year
- National Association of Financial Aid Administrators (NASFAA) “Pell Bank” model proposal
- Fill in gaps in federal coverage: summer, more than 12 hours, course loads (common in WA) not divisible by 3
- Adjust maximums in each sector if needed to retain approximate current levels per credit
- Part of Minnesota’s shared responsibility framework



# Discussion? Questions?

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# APPENDIX: OUT OF STATE DETAIL

Institution Name	Sector	State	# of WA Resident Freshmen 2011-12	Full Tuition (Sticker Price)	Institution's Education and Related Expenditure	Total Price (Incl Non-Tuition Expenses)	Net Price for Students with Income Under \$30K, Includes Non-Tuition Expenses, Net of All Grant Aid
<b>WA Resident Freshmen Out of State</b>			<b>10,336</b>	<b>\$ 23,471</b>	<b>\$ 18,105</b>	<b>\$ 36,698</b>	
TOP TEN DESTINATIONS							
Charter College-Anchorage	For-Profit Four-Year	AK	431	\$ 17,725	\$ 8,984	\$ 24,925	\$ 19,106
Brigham Young University-Provo	Private Nonprofit Four-Year	UT	267	\$ 4,560	\$ 17,366	\$ 16,588	\$ 8,891
University of Phoenix-Online Campus	For-Profit Four-Year	AZ	255	\$ 10,025	\$ 10,175	\$ 19,994	\$ 14,553
University of Portland	Private Nonprofit Four-Year	OR	246	\$ 35,740	\$ 18,616	\$ 50,830	\$ 31,069
University of Idaho	Public Four-Year	ID	227	\$ 18,376	\$ 14,069	\$ 31,620	n/a
Oregon State University	Public Four-Year	OR	221	\$ 21,316	\$ 13,367	\$ 35,191	n/a
Montana State University	Public Four-Year	MT	215	\$ 19,152	\$ 11,001	\$ 31,272	n/a
Brigham Young University-Idaho	Private Nonprofit Four-Year	ID	189	\$ 3,811	\$ 6,341	\$ 13,641	\$ 7,557
Boise State University	Public Four-Year	ID	153	\$ 15,966	\$ 9,315	\$ 29,592	n/a
University of Oregon	Public Four-Year	OR	147	\$ 27,653	\$ 15,834	\$ 40,916	n/a