

Title	State Need Grant Review
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Synopsis:	The Council is directed to report on the effectiveness of State Need Grant by December 2014. The report shall also include policy options. Council members will receive an overview of the State Need Grant and 2013-14 service level data. Members will also explore policy recommendations.
Guiding questions:	Which policy considerations should the Council include in the State Need Grant legislative report and Strategic Action Plan?
Possible council action:	<input checked="" type="checkbox"/> Information Only <input type="checkbox"/> Approve/Adopt <input type="checkbox"/> Other: _____
Documents and attachments:	<input type="checkbox"/> Brief/Report <input checked="" type="checkbox"/> PowerPoint <input type="checkbox"/> Third-party materials <input type="checkbox"/> Other

STATE NEED GRANT

Rachelle Sharpe, PhD

Senior Director for Student Financial Aid & Support Services

OCTOBER 8, 2014

State Need Grant



SNG Legislative Report

State Need Grant Legislative Report

- **Council directed to report on the effectiveness of SNG.**
 - Meeting higher education needs of low-income students.
 - Achieving the state's educational attainment goals.
 - Providing options for prioritization and consequences of options.
 - Outlining considerations for alternative award structures.
- **Report will augment previous work including:**
 - WSAC affordability analyses 2012.
 - WSAC State Need Grant Review 2012.
 - WSIPP Report on Effectiveness of State Need Grant 2014.
- **Report incorporates national expertise.**
 - HCM Strategists' recommendations prioritized.

SNG Program Overview

SNG Context

- Legislative goal to support low-income undergraduate students (45 years).
- Washington is nationally recognized for need-based funding, particularly during recessionary periods.
 - SNG funding tied to public tuition increases.
- Further, SNG is a critical strategy to reach the state's attainment goals.
- SNG supports the College Bound Scholarship.
- SNG recommendations are connected to Council's Affordability Framework to understand funding decisions.

State Need Grant History

SNG created to help financially needy students attend college.

For-profit institution participation authorized.

1969

1976

1980

1988

Legislative intent to offset tuition/fees for low-income students.

Grant amounts changed from flat grant to portion of Cost of Attendance.

State Need Grant History

Part-time students
authorized.

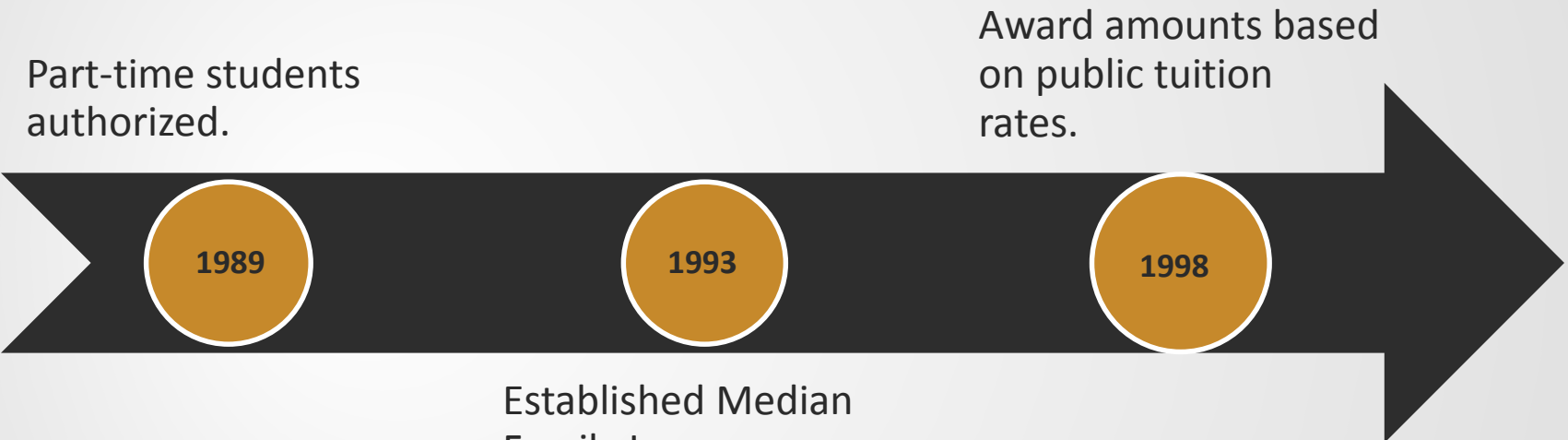
1989

1993

Established Median
Family Income as
eligibility standard.

1998

Award amounts based
on public tuition
rates.



State Need Grant History

Less-than-halftime eligibility pilot.

WGU eligible to participate.

Financial aid counseling required for recipients.

2009

2011

2012

2014

Awards for private institutions limited to 3.5% growth and new student awards at for-profit institutions reduced by half.

New student awards at for-profit institutions restored.

Eligibility expanded to include students with undocumented citizenship.

Student Eligibility

- Family income cap set as 70% of median family income. (\$58,500 for family of four for 2014-15.)
- Resident undergraduate attending one of 68 participating institutions.
- Meets academic progress and other requirements:
 - Completes the credits at the award level with minimum GPA.
 - Does not owe repayment to any aid program.
- Maximum five years of award.
 - 125% of program length.
 - May not receive 2nd associates degree.

SNG Award Amounts

2014-15 SNG Maximum Award Amounts for 0-50 MFI

University of Washington	\$10,868
Washington State University	\$10,868
Central Washington University	\$7,631
Eastern Washington University/CTC Applied BA	\$7,196
The Evergreen State College	\$7,611
Western Washington University	\$7,882
Private Four-Year	\$8,517
WGU-WA	\$5,619
Community/Technical Colleges & Non-Profit Two-Year	\$3,696
For-Profit Two-Year	\$2,823

- Awards adjusted by income and enrollment level
- Small gap between maximum awards and actual tuition and fees

SNG Recipient Profile

- About 48% of students are 24 or older.
- 85% of students attend full-time (in fall term).
- 30% of students have children.
- 38% are students of color.
- 67% attend two-year institutions.
- The average income for dependent students is \$27,400.
- The average income for independent students is \$13,900.

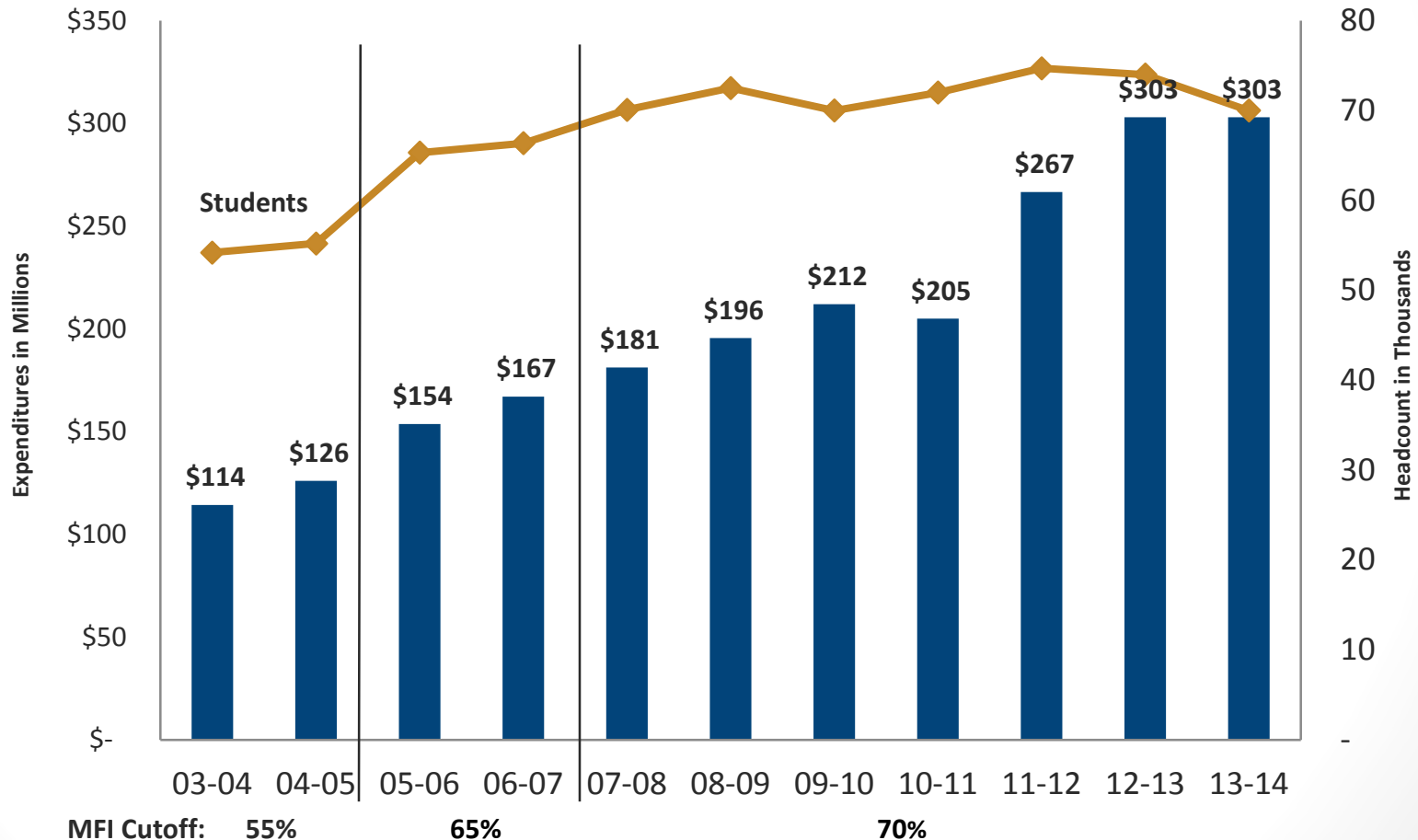
Note: WSAC SNG Interim Report and Unit Record Data 2012-13.

Program Administration

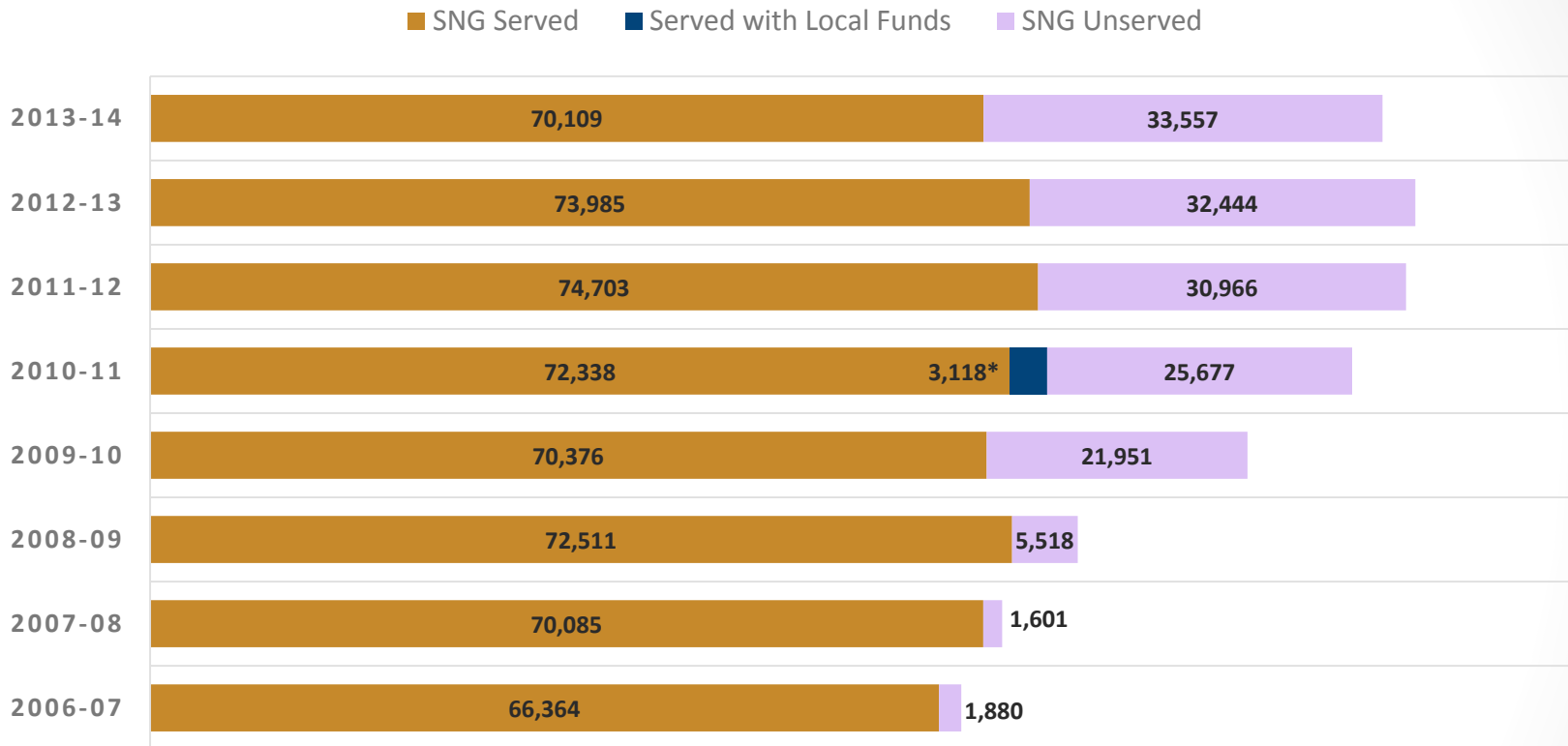
- Program design is “decentralized,” and institutions select and award students following state parameters.
- WSAC distributes funds, monitors eligibility, and provides training.
- Financial aid workgroup developing recommendations:
 - Eliminate the “self-help” requirement for College Bound Scholarship recipients and students who have made decisions to significantly reduce costs.
 - Pilot academic progress standards to support student progress.
 - Distribute funds earlier based on a three-year average of institution’s eligible student population and share of statewide need for funds.

Key SNG Trends

SNG Funding & Students Over Time



Eligible Student History



	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14
Total Students	68,244	71,686	78,029	92,327	101,133	105,669	106,429	103,666

*Served with local funds due to mid-year rescission.

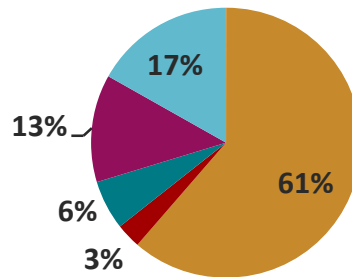
2013-14 SNG Trends

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

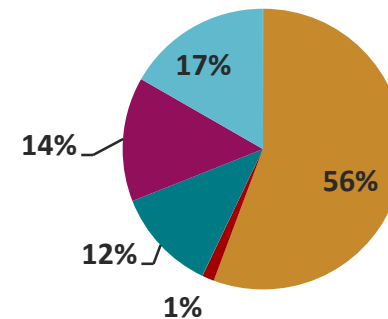
Typically, the pattern of students by sector is the same for served versus unserved.

- This year, community and technical colleges were able to serve greater proportions of their eligible students due to decreasing enrollments.
- The private four-year unserved data include the first year of WGU eligibility.

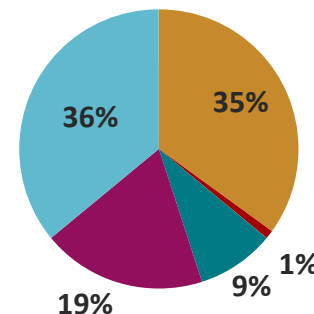
Served
70,109 Students



Unserved
33,557 Students

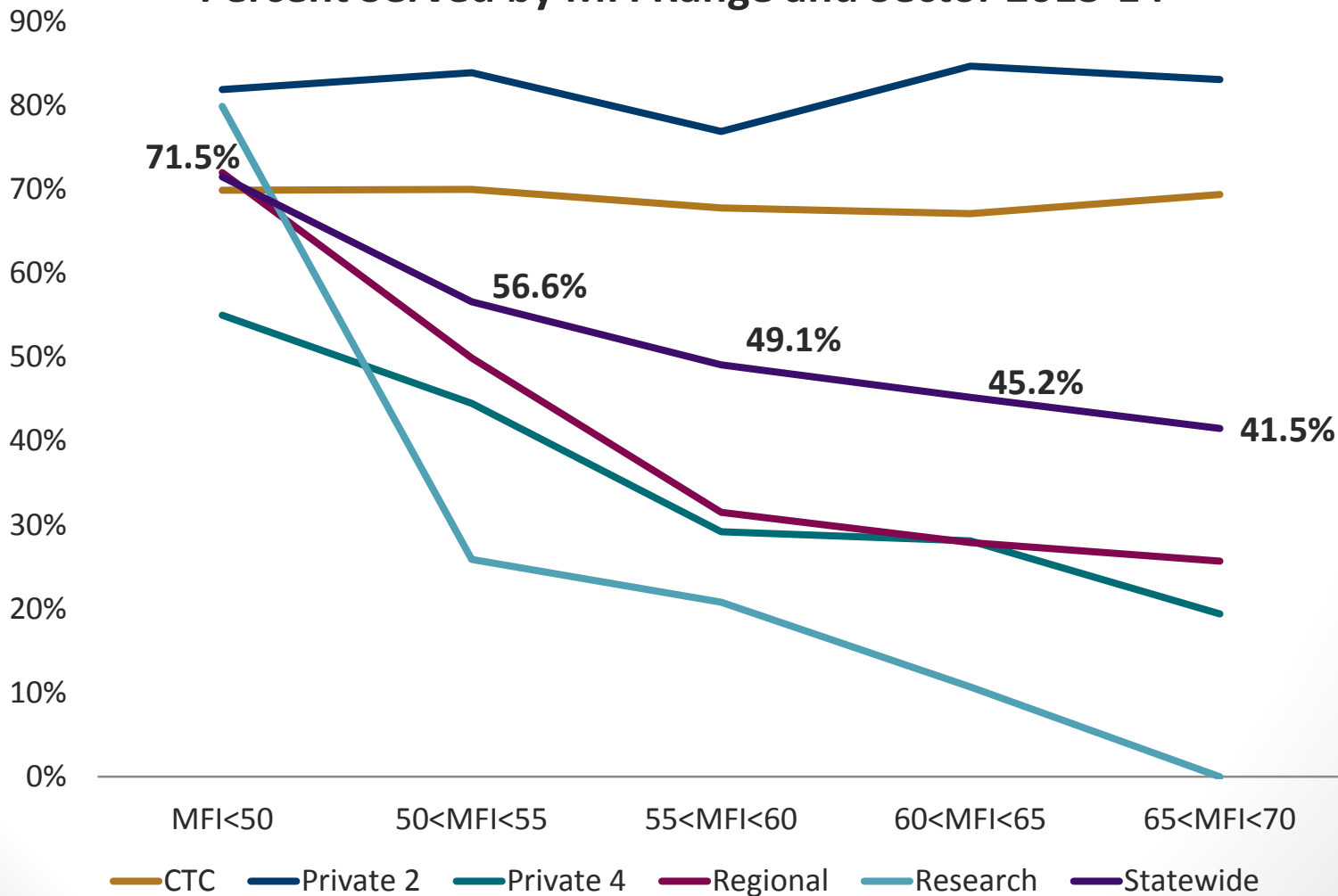


Funding
\$303 Million



Service targeted to lowest income in four-year institutions

Percent Served by MFI Range and Sector 2013-14



SNG Coordination with Other Aid

2012-13

	SNG Avg.	Pell Grant	Institutional /Scholarships	Other Grants	Student Loans	Work Study
Research		97%	69%	83%	67%	10%
	\$8,894	\$4,542	\$2,849	\$663	\$6,983	\$2,752
Regional		95%	48%	32%	74%	11%
	\$6,372	\$4,478	\$2,236	\$699	\$6,694	\$2,637
Private Four-Year		93%	90%	63%	87%	26%
	\$6,718	\$4,297	\$11,620	\$1,641	\$9,390	\$2,509
Community & Technical Colleges		95%	28%	25%	37%	7%
	\$2,364	\$3,868	\$1,237	\$1,469	\$6,061	\$2,895
Private Two-Year		91%	17%	44%	90%	2%
	\$1,403	\$3,991	\$1,737	\$2,394	\$8,223	\$2,022
All Sectors		95%	40%	38%	51%	9%
	\$4,098	\$4,093	\$3,070	\$1,160	\$6,822	\$2,763

Note: Aid received by SNG recipients is from WSAC 2012-13 SNG Interim Report and Unit Record Report data. Percentages represent the percent of SNG recipients in those categories who received those aid types. Dollars represent the average amount for the students who received that aid type.

Proposed Policy Recommendations

Proposed Recommendations

- Close the funding gap to serve more students.
- Establish the state policy goal and improve predictability.
- Develop statewide messaging for students and families.
- Explore the “shared responsibility” formula used by Minnesota and variations to evaluate the impact to students by income level and sector.
- Evaluate methods to incent student progress.

Next Steps

Next Steps

- Draft report routed next week to Funding & Affordability and Financial Aid workgroup.
- Financial aid workgroup meeting October 10.
- Incorporate feedback and share draft with Council November 19.