

Title	Affordability Interactive Model
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Synopsis:	As part of the Strategic Action Plan, the Council is developing an Affordability Framework to coordinate funding, describe the impact of funding policies on all students, describe the role of all parties, and provide parameters levels of affordability. A critical tool to support the framework is the Affordability Interactive Model, developed in collaboration with Dr. Jim Fridley, Professor, University of Washington. Dr. Fridley will demonstrate recent modifications to the model.
Guiding questions:	How can the Affordability Interactive Model be used to understand affordability for all students and support investments in postsecondary education?
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

Washington State Affordability

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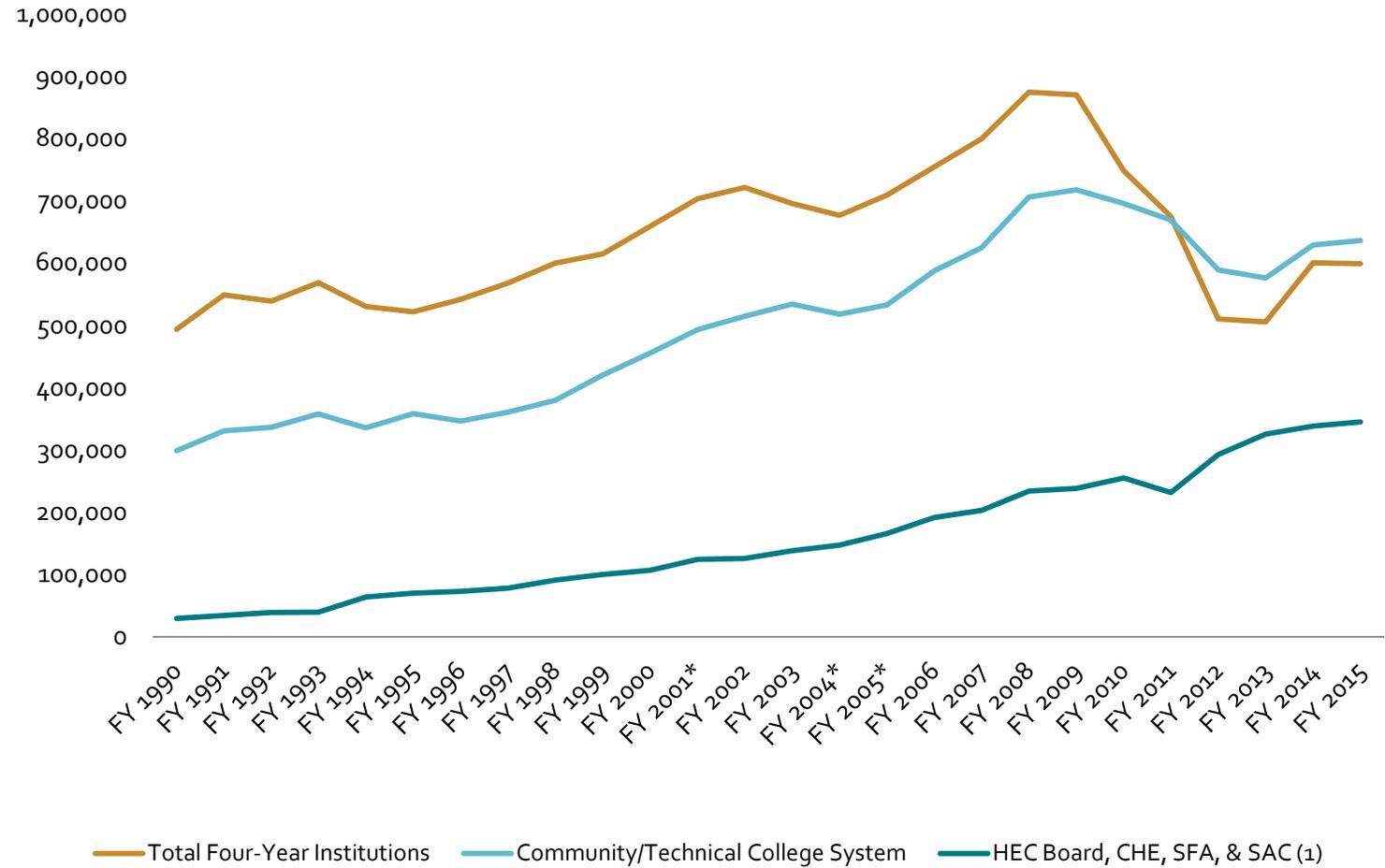
What is affordability?

- . . . affected by preferences and priorities.
- . . . should be considered in the context of the value of a credential or degree and increased earning potential.
- . . . should be viewed from the perspective of students and families.
- . . . reflects a combination of:
 - The student versus state share of cost of instruction and tuition policies.
 - The student and family's ability to pay.
 - Targeted student aid policies.

State Funding:

Rapid Changes During the Great Recession

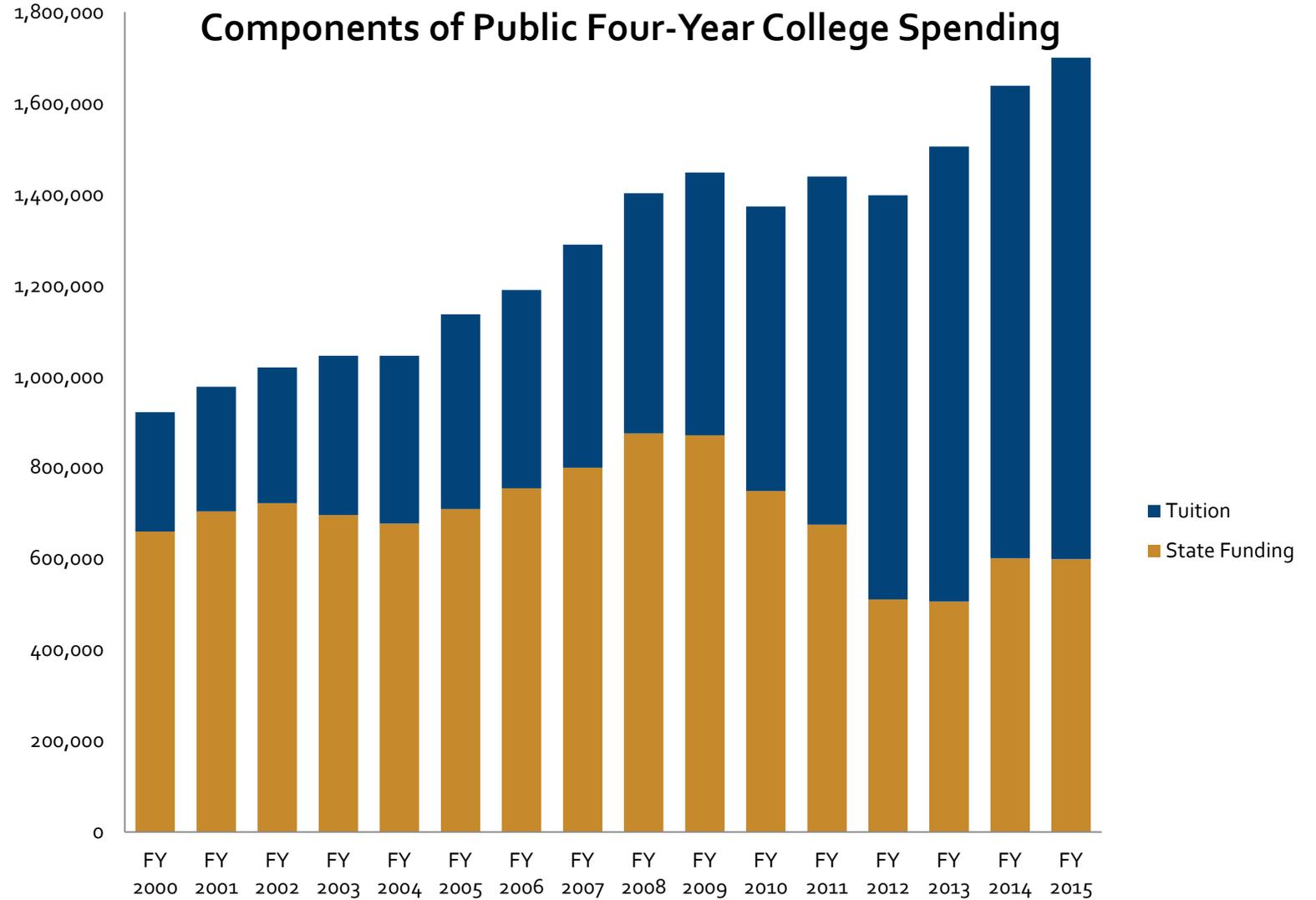
Higher Education Funding Components, 1990-2015



State Funding:

Rapid Changes During the Great Recession

Components of Public Four-Year College Spending



Students Carry the Burden

Students cover the majority of costs at four-year institutions.

State funding has fallen from \$12,020 in 1991 to \$4,924 in 2013.



Higher education made up 9.2% of the biennial budget in the 2013, compared to 11.6% in 2003, and 16% in 1983.



A student starting at UW in 2001 faced a total tuition price of \$18,593 for 4 years of study.



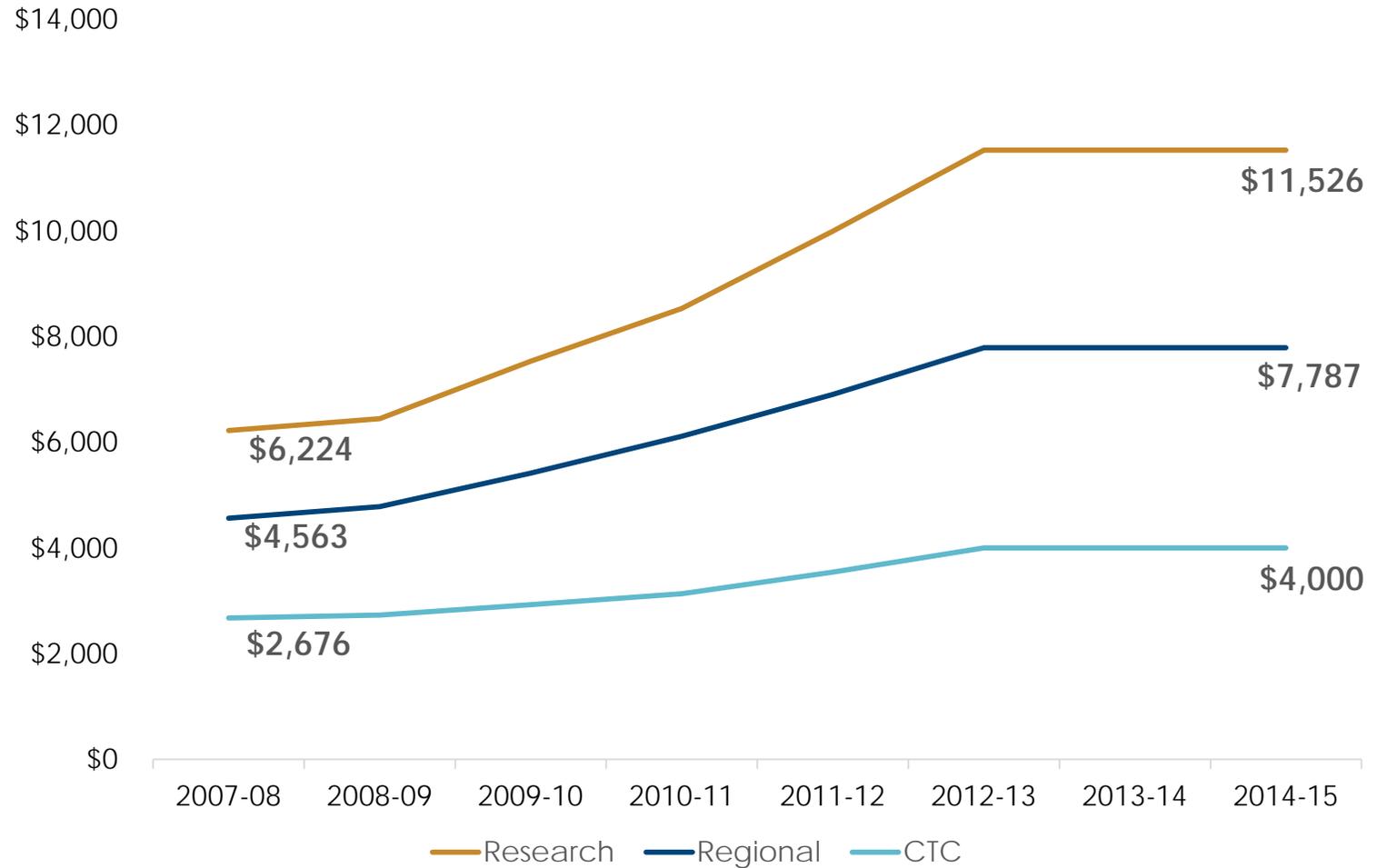
A student starting in 2005 needed to pay \$24,362, and a student who started in 2009 needed \$39,122.



Public Tuition Nearly Doubles in Five Years

Legislature holds tuition flat for 2014 and 2015.

Resident Undergraduate Tuition Rates

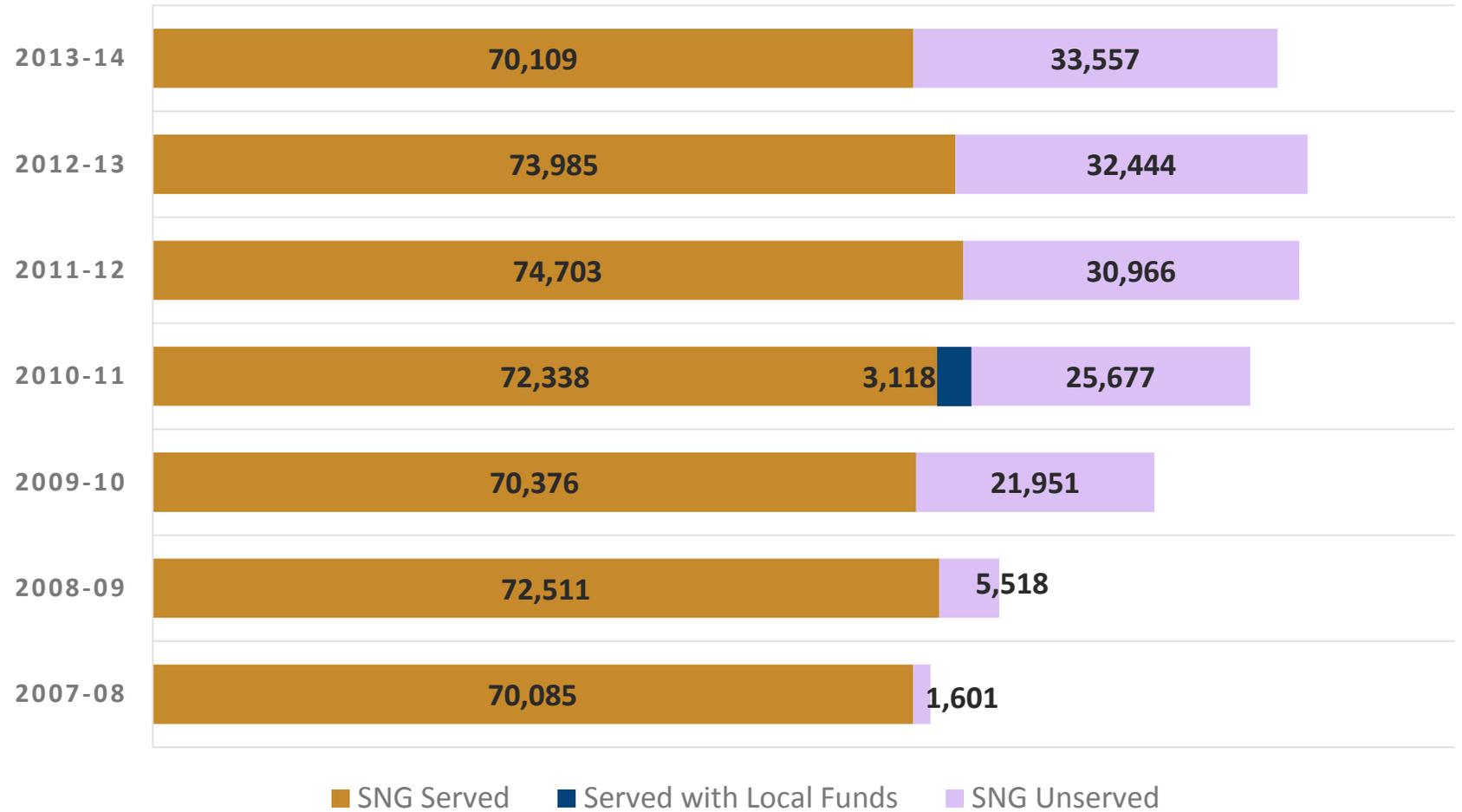


Note: Tuition (operating and building fees) and Student & Activities fees.

Enrollments Outstrip Funding

The trend of 30% of eligible students unable to receive funding continues as economy improves.

Eligible and Served Students in the State Need Grant Program



Washington Affordability Framework



- Coordinate funding to institutions, tuition, and financial aid.



- Describe the impact of funding policies on all students.



- Support policy-driven decisions to make higher education more affordable for all students.



- Reduce the volatility in tuition increases and increase investments in postsecondary education.



- Describe the role of all parties – federal, state, institutions, private sources, and families.



- Provide parameters for reasonable levels of debt, work and savings.

Affordability Interactive Model

- Assist policy makers with an understanding of the interconnectivity between federal and state financial aid policies and higher education funding and tuition policies.
- Demonstrate the impact of policies on students and families.
- Describe affordability from the perspective of the family's ability to cover the cost of attendance.
- Allow users to explore the contributions of major funding components.
- Display the state subsidy to the institution, tuition, and cost of attendance for all sectors.
- Allow users to select the type of student and adjust assumptions.

Interrelated Problems, Interrelated Solutions

- Affordability can't simply be about price. We need to think strategically about affordability, and set expectations for policy makers, students, and institutions.
- Higher education policy can help ameliorate inequity, but systematic progress requires P-20 solutions.
- Work on price/cost has to come with intentional work to address the opportunity gap.
- Reaching our attainment goals requires a more equitable, more affordable system.