

Title	Affordability Framework Development
Staff lead	Marc Webster
Position	Senior Fiscal Policy Advisor
Email	marcw@wsac.wa.gov
Phone	360.753.7862
Synopsis	WSAC's development of an Affordability Framework is a critical part of our efforts to create a more affordable post-secondary education system. We are working to define, measure, and improve affordability in Washington, and to show policy makers how they can maximize their impact on this perennial problem.
Guiding questions	How does this fit, if at all, with our budget requests? How can we ensure that this builds on tuition reduction as opposed to being seen as an alternative to it?
Possible council action	<input checked="" type="checkbox"/> Information/Discussion <input type="checkbox"/> Approve/Adopt <input type="checkbox"/> Other:
Documents and attachments	<input checked="" type="checkbox"/> Brief/Report <input checked="" type="checkbox"/> PowerPoint <input type="checkbox"/> Third-party materials <input type="checkbox"/> Other



AFFORDABILITY FRAMEWORK

Progress Update | August 13, 2015



WASHINGTON STUDENT
ACHIEVEMENT COUNCIL
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WHAT IS AN AFFORDABILITY FRAMEWORK AND WHY IS IT NEEDED?

Affordability is critical to meeting our attainment goals.

- We need to take the discussion of affordability from philosophical to measurable.
- Once we do that, we can engage in a productive discussion about improving affordability.
- When Washington *coordinates* funding, *connects* data from disparate sources, and *communicates* about options and best practices, we help students attend and attain at lower cost.





HOW ARE WE DESCRIBING 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.



WHAT PROGRESS HAS BEEN MADE?

- We have established objectives and principles for measuring affordability.
- We have collected metrics for each of these three components that help us assess and understand the current state of Washington's higher education affordability.
- The Affordability Interactive Model is a critical tool to visualize and model the interaction between cost, aid, and student choice dynamically.
- Affordability was a prominent issue in the 2015 Legislative Session. We have to capitalize on this interest.



Example Metrics

- Tuition & Fees
- Net Cost of Attendance
- Debt
- Hours worked (preliminary/draft)



PUBLIC TUITION AND FEES

	Research Universities	Regional Universities	Comm./Tech. Colleges
Average Rates, 2013-14	\$11,418	\$7,809	\$4,000
Average Rates, 2016-17	\$9,864	\$6,306	\$3,846
Percentage of <i>Median</i> Wage, 2013-14	27.8%	19.0%	9.7%
Percentage of State <i>Median</i> Wage, 2017	22.6%	14.4%	8.8%



NET PRICE OF ATTENDANCE

Net Price of Attendance, Ranges (by sector)
Average net price for students receiving grant or scholarship aid, 2012-13

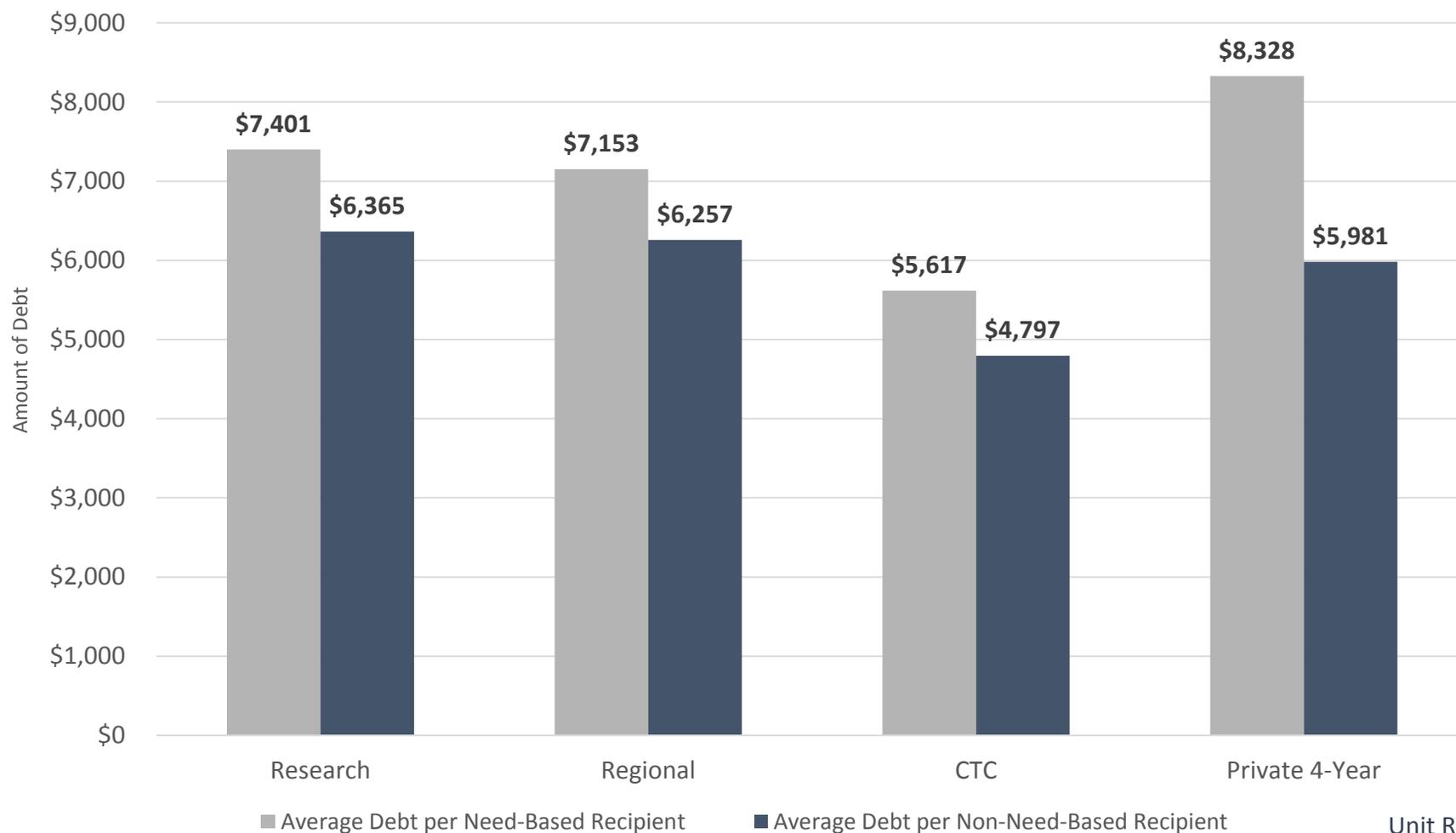


*Heritage University not included; net price info not reported for 2012-13; Data from IPEDS



ANNUAL STUDENT DEBT - TOTAL

Resident Undergraduate Borrowers, 2013-2014



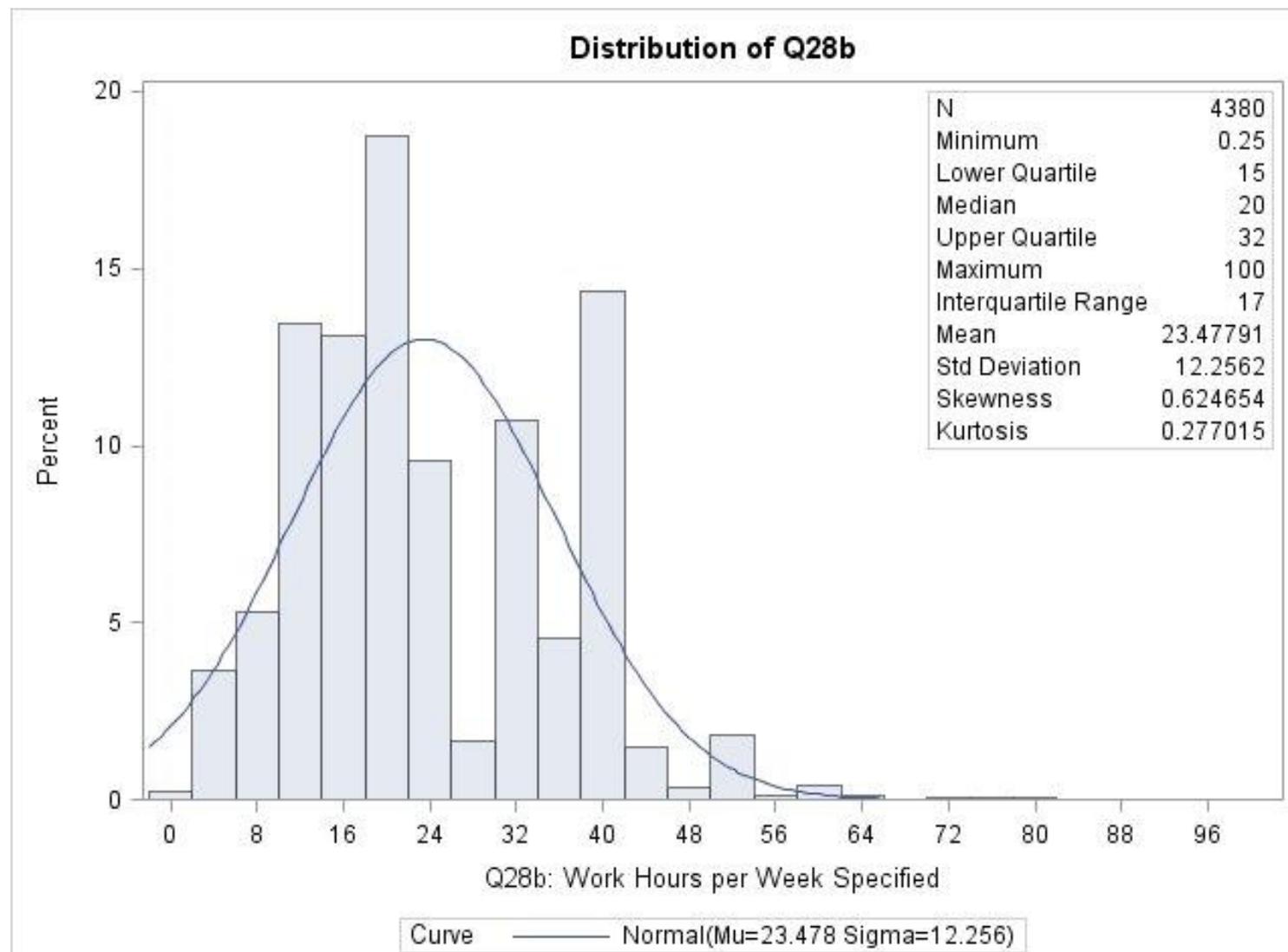


WORK HOURS - WFAA MAY 2015 SURVEY RESULTS

Half of all students who were employed while in college worked 20 hours per week or less.

About 44 percent of students worked between 10-20 hours per week.

Around 20 percent of students were working 40 hours or more.



Next Steps



SEPTEMBER MEETING WITH POLICY MAKERS

- Get feedback from other stakeholders prior to meeting.
- Finalize objectives related to addressing affordability.
- Share policy concept as well as actual student data.
- Develop recommendations to target policies based on data.
- Incorporate outcomes from the meeting into the Roadmap Update as appropriate.



Continue the Conversation

Marc Webster

Senior Fiscal Policy Advisor

marcw@wsac.wa.gov

Affordability Framework Overview **2015.07.16**

Vision

Every Washington resident who desires and is able to attend postsecondary education should have the ability to cover educational costs.

Purpose

The Framework will illustrate how variations in postsecondary pricing and state and federal supports directly impact affordability. Though the Framework will not provide a prioritized list of expenditures nor recommendations the coordination of budget requests, it will help to identify policy recommendations that reduce volatility in tuition increases, curb student debt, and increase investments in postsecondary education.

The Framework will help policy makers:

- Coordinate institutional appropriations, tuition, and financial aid.
- Understand the impact of funding and policy decisions on students.
- Evaluate whether new proposals help the state reach affordability goals.
- Account for the role of the federal government, institutions, state, and private funders.
- Connect affordability related data from across sources.

Foundational Principles

- Students and Families
 - Affordability is viewed from the perspective of students and families.
 - Each public educational pathway is affordable for students.
 - A shared investment:
 - Families receive early high quality information about financing options.
 - All students and their families are responsible for sharing in the cost for their education.
 - The financing methods used differ by income level of students and families.
 - A reasonable amount of student work supports student success.
- Policymakers
 - The full cost of attendance is considered in addressing affordability.
 - Policies support stable and predictable public tuition.
 - The State ensures affordable access to high-quality instruction through coordinated funding to public institutions and stable and predictably tuition and financial aid policies.
- Institutions
 - Institutions will continue to play a critical role in addressing affordability.
 - Sufficient funding to institutions improves student success.
 - Institutions should admit students without regard to ability to pay.

Objectives

- Determine how to **measure** affordability.
- Define the **current level** of affordability.
- Develop parameters to define **reasonable levels** of debt and work.
- Define the state's affordability **goals**.

Measuring Affordability and Comparing to Targets

The following affordability metrics highlight the current status of affordability in Washington, how it compares historically, and whether it meets a reasonable threshold of affordability. Once individual metrics are evaluated for progress toward affordability, the Committee will develop suggested targets on each measure for consideration with a larger group of policymakers in September 2015.

All data are provided for the most recent year available and by sector. Where available, the data will be provided by income and dependency status. Historical trends will be provided for the September meeting as well.

Measure	Metric	Data Notes	Suggested Targets
Cost	Public Tuition and Fees		<i>Tuition and Fees below X% of WA family income.</i>
	Cost of Attendance	Using WFAA versus published. Varies by living situation.	<i>(tied to T/F target) Commuter for state policy that connects to non-tuition expenses.</i>
	State Share of Total Cost	Public only.	<i>Public 4-Year: COP proposal is 50/50. Public 2-Year:</i>
Aid	Net Price	(COA – grant aid)/aid recipients. Using IPEDs – will use Unit Record.	
	Unmet Need	Gap before loans. Need – minus non-loan aid.	<i>Gap below the Stafford loan caps.</i>
Student Options	Annual student borrowing	All loans except parent loans.	<i>\$6,000 annual student debt?</i>
	Time to Degree	By degree Part-time rates	<i>X% for dependent Y% for independent</i>
	Work Hours	WFAA survey until ESD match conducted.	<i>Maximum 19 hours per week</i>

Other Influencing Factors

There are several factors that influence the affordability of a post-secondary education, but which state higher education policy cannot directly impact. We need to be aware of and responsive to these factors, but they do not drive an affordability policy alone.

- Federal tax credits
- Student loan interest rates
- Minimum wage
- Federal aid policy (Pell)
- Family savings
- Private/Foundation support
- Institutional aid