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| 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 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