



College Bound Scholarship Report

March 2017

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EXECUTIVE SUMMARY

The College Bound Scholarship (CBS) is designed to inspire and encourage Washington middle school students from low-income families to prepare for and pursue postsecondary education. The early commitment of state financial aid is intended to alleviate the financial barriers preventing students from considering college as a possibility.

The 2016 Legislature directed the Washington Student Achievement Council to examine issues related to College Bound Scholarship students, who become income ineligible for scholarship and to report findings to the Governor and Legislature.¹In addition, a legislative workgroup (SB 6436) provided recommendations in 2014, which resulted in several amendments to the CBS statute.

This report provides an overall program update, data and analysis regarding academic outcomes, and income levels of students upon postsecondary enrollment, as well as the status of recent legislative requirements.

Report Findings

- Although applications have increased each year, more than ¼ of eligible students have missed the opportunity to apply for College Bound.
- CBS students graduate from high school at a rate of at least 12 percentage points above other low-income peers who do not sign up for CBS.
- Significant numbers of CBS students are also progressing to postsecondary education; 64 percent enrolled directly in college in 2014 compared to 61 percent for all students statewide.
- Of the total enrollees over a four-year period, 92 percent enrolled in the year immediately after high school graduation.
- About 82 percent of enrolled students were income-eligible for CBS funding.
- New administrative requirements such as identification of felonies and recalculation of GPAs for certain students did not result in significant eligibility changes and draw resources away from outreach and communication.
- The CBS program relies on State Need Grant (SNG) funds and 100 percent of CBS students receive SNG.

Options for Consideration

Several administrative and fiscal adjustments would improve the program's effectiveness and efficiency.

¹ 2016 supplemental budget SHB 2736: Section 610, Subsection 14.

- To ensure a robust CBS program, State Need Grant funding should be strong, stable and predictable.
 - The SNG maintenance funding for Fiscal Year 2017 needs to reflect the CBS savings achieved in 2016 due to the requirement to prioritize CBS students in SNG.
- Authority to move funding between programs would accommodate funding needs for actual enrollments versus forecasted enrollments.
- Certain administrative requirements have proven burdensome and have not led to a savings to the scholarship, while taxing agency resources.

PROGRAM DESIGN

In order to be eligible, seventh and eighth graders who qualify for free or reduced price lunch sign a pledge to graduate from high school with a 2.0 grade point average or higher and without felony convictions, as well as to complete admissions and financial aid applications in a timely manner. Students must apply by the end of the eighth grade year; Foster youth are automatically enrolled. Applicants who meet pledge requirements, whose family income falls within 65 percent of the state's median family income, and who meet other scholarship requirements are eligible for an award. The CBS award amounts are calculated as the difference between public institution tuition and required fees plus a book stipend, less the value of any state-funded assistance the student receives.

The Washington Student Achievement Council (WSAC) is the program administrator and collaborates with the Office of Superintendent for Public Instruction (OSPI), the College Success Foundation (under contract with OSPI), the Department of Social and Human Services (DSHS), schools, districts, K12 professional associations, higher education institutions, and others to maximize program efficiency and effectiveness.

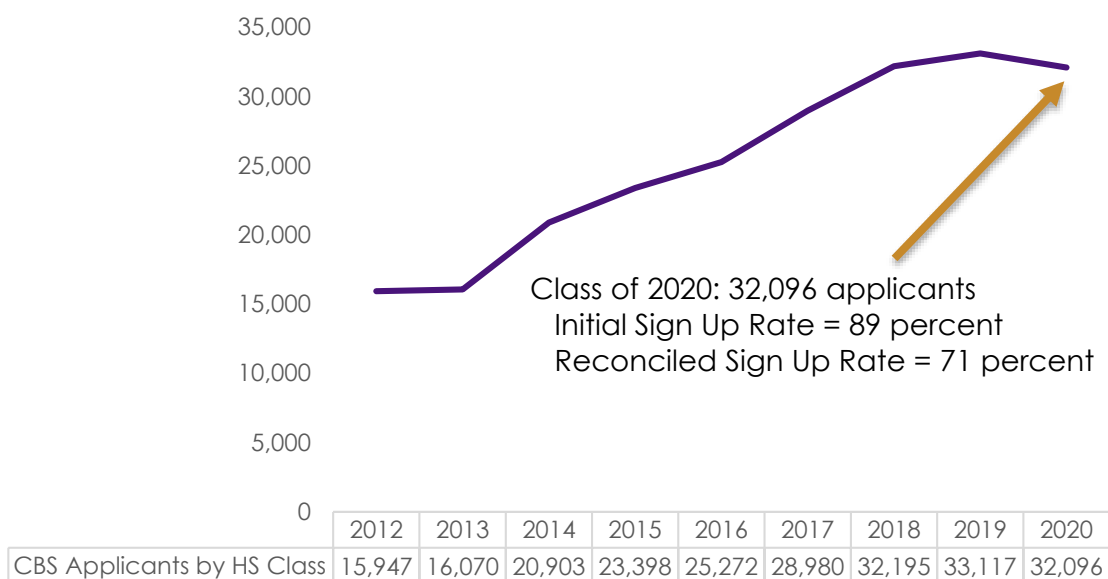
College Bound Applications

Over 250,000 students have signed up for the College Bound Scholarship. Through strong partnerships with the Washington College Access Network (under the College Success Foundation's umbrella) and school districts, as well as an automated application system, applications for College Bound have grown each year.

To monitor a cohort's sign-up throughout the seventh and eighth grade, an initial sign-up rate is calculated using a snapshot of eligible students during fall of seventh grade. To account for student mobility and students who become eligible after fall of seventh grade, OSPI and WSAC calculated a reconciled rate, as shown in Figure 1. While the reconciled rate also shows annual increases in applications, the improved calculation reveals a nearly 20 percent increase in student eligibility. Therefore, more students have missed the opportunity to apply than the initial rate describes.

WSAC developed a secure web-based portal to permit school and district staff to upload student applications and monitor applicants. District level sign-up data is available at www.wsac.wa.gov/college-bound. A customized packet of information was mailed to each superintendent describing the reconciled sign-up rate and offering tools to ensure students do not miss the opportunity to participate in College Bound. In addition, letters from the Governor were sent to districts with application rates above the state average to acknowledge their efforts. Statewide trainings offered in partnership with the Washington College Access Network (WCAN) are available to ensure application rates continue to increase.

Figure 1. College Bound Scholarship Applications



Source: OSPI analysis of WSAC CBS applicant data as of December 2016.

Automatic Application for Foster Youth

Following legislation that passed in 2012, WSAC and DSHS established a data sharing process that automatically enrolls youth in foster care into the College Bound program without any action on the part of the youth. As of January 2017, 4,120 foster youth have been automatically enrolled in College Bound. WSAC, OSPI, and DSHS identified issues related to availability of data due to frequent address changes by youth. The automatic enrollment process was refined in fall 2016, and data matches now include foster youth placement addresses. This provides WSAC the ability to provide direct outreach to students about their College Bound Scholarship.

K12 Student, Parent, and School Communication

The success of College Bound depends in part on strong partnerships. The close collaboration between WSAC, OSPI, WCAN, schools and districts, and other non-profit organizations is critical to College Bound outreach and support efforts. Together, agencies and organizations have been working closely to identify and capitalize on training opportunities for professionals who work directly with students.

As an example, joint workshops have focused on planning and preparing for college and requirements to receive the scholarship, including admissions and financial aid processes. Training and communication efforts in 2016 focused on the earlier federal financial aid application timeline. WCAN also implemented a “Re-pledge Campaign” in February 2017 to remind ninth grade students of their College Bound pledge and scholarship requirements.

Sophomore Median Family Income Notification

Every March, College Bound sends all tenth grade College Bound Scholarship students notification that to qualify for the scholarship, their income may not exceed 65 percent of the state's median family income (MFI) at graduation from high school. The notification is sent by email, but if a student's email address is unavailable, College Bound sends a letter. The notification explains the MFI requirement and includes a link to www.readyssetgrad.org/cbs-mfi where they can find the current year's value for 65 percent of the state MFI. College Bound embeds code in the email to track how many students access the link to the current year's MFI. In 2016, of the approximately 26,215 students received the email, 398 followed the link to the website.

FAFSA Completion: 12th Year Campaign

A critical step to receive the scholarship is to complete the Free Application for Federal Student Aid (FAFSA) or the Washington Application for State Financial Aid (WASFA). WSAC's 12th Year Campaign is designed to increase admissions and financial aid applications, particularly for students from underrepresented populations. The Campaign coordinates and promotes application assistance events statewide, and provides access to student-level FAFSA completion status information via WSAC's online portal for all public high school seniors. To maximize FAFSA completion for College Bound students, districts are informed of their current seniors' completion rates as well as 12th Year Campaign resources.

Citizenship Status and CBS Eligibility

In summer 2015, the U.S. Citizenship and Immigration Service issued guidance that individuals with Deferred Action Childhood Arrival (DACA) status are not prevented from establishing state residency. As a result, undocumented students with DACA status became eligible to receive the College Bound Scholarship.

WSAC staff held trainings (webinars and in person) for college admissions staff, financial aid administrators, and others working with high school students beginning in the fall of 2015. DACA students may complete the Washington Application for State Financial Aid (WASFA) and in 2015-16, 355 students who are presumed to have DACA status received CBS.

ADMINISTRATIVE REQUIREMENTS

A 2014 legislative work group on College Bound (SB 6436) included recommendations for program improvements. Legislation stemming from the 2014 legislative workgroup required WSAC to collaborate with other state agencies to identify any students who have committed a felony, to recalculate GPAs for students who participated in Running Start for one term with a cumulative GPA below a 2.0, and to map student support services.

Felony Check

In 2016, WSAC evaluated whether students who signed up for College Bound had committed a felony. A check of 14,000 students through a public records search and verification with the Washington State Patrol identified one student who had committed a felony prior to signing the College Bound pledge. As of fall 2016, the student had not filed a FAFSA nor received a scholarship. This process required significant WSAC staff time resulting in no savings to the scholarship.

Recalculation of Running Start GPAs

One of the conditions of eligibility for CBS is that a student has a high school GPA of 2.0 or above. Recent legislation requires a recalculation of the GPA if it is less than 2.0 and the student participated in Running Start for one term. WSAC reviewed the GPA of students enrolled in Running Start and no students from the 2016 senior class had their eligibility change as a result of the recalculation. The process requires data analysis and WSAC staff time redirected from application processing and communications.

Mapping of Student Support Services

WSAC, CSF, and OSPI convened to evaluate which schools have student support services. Regardless of the funding sources, programs serving underrepresented students for college and career purposes were catalogued. These include CSF, federal TRIO and GEAR UP programs, the 21st Century program, and regional and local efforts such as the Roadmap project in south King County. While many support programs exist, there are gaps in service across the state.

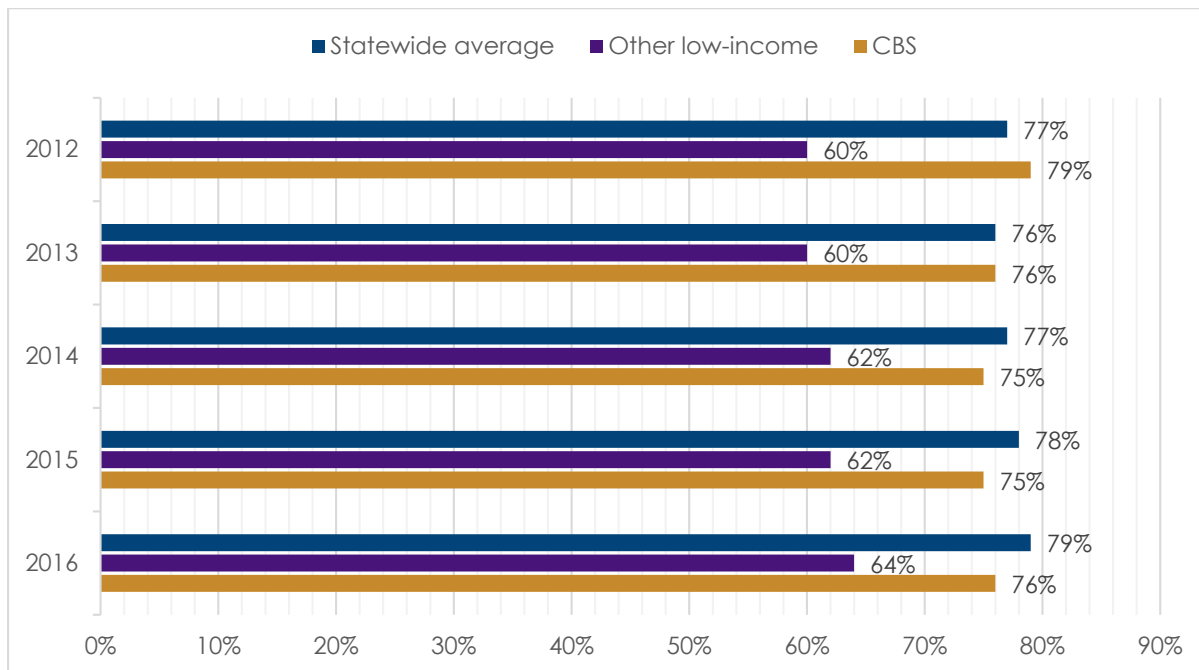
COLLEGE BOUND ACADEMIC PROGRESS

College Bound students are making strong academic progress throughout K12 and postsecondary education. The program appears to serve as a dropout prevention program, in addition to a postsecondary aspiration and participation program. Students are graduating from high school, enrolling in colleges and universities and persisting well.

High School Graduation Rates

College Bound students are graduating from high school at nearly the statewide average. Even as College Bound cohorts grow, the trend of parity of high school graduation with that of all students continues, as shown in Figure 2. In 2016, students who were low-income in middle school but did not sign-up for College Bound graduated 12 percentage points below the rate for College Bound students.

Figure 2. High School Graduation Rates for CBS Students

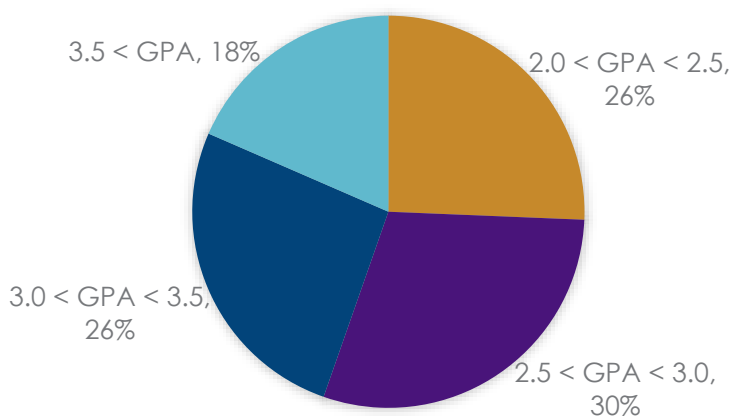


Source: OSPI analysis of WSAC CBS applicant data (CB9928 1/6/2017).

High School Grade Point Averages

Cumulative high school grade point averages (GPAs) for College Bound Scholars (those who met College Bound requirements including high school graduation with a 2.0 GPA) are strong, as shown in Figure 3. Nearly $\frac{3}{4}$ of College Bound students have at least a 2.5 GPA. In addition, among college enrollees, 83 percent had high school GPAs above a 2.5.

Figure 3. High School GPA for College Bound Scholars

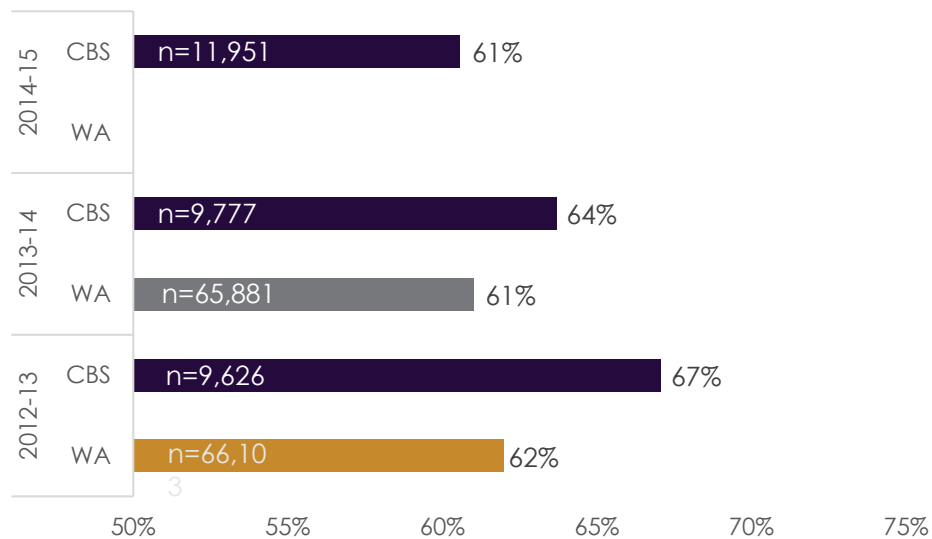


Source: WSAC Application Data matched with OSPI records for 59,352 CBS Scholars as of December 2016.

Postsecondary Participation

As College Bound cohorts have grown, the rate of immediate enrollment in college has decreased slightly, from 67 to 61 percent, as shown in Figure 4. However, College Bound students are enrolling at slightly higher than the statewide rate. In addition, of the 31,208 scholars who do enroll in college (2012-13 through 2015-16), 92 percent enrolled in the year immediately following high school graduation.

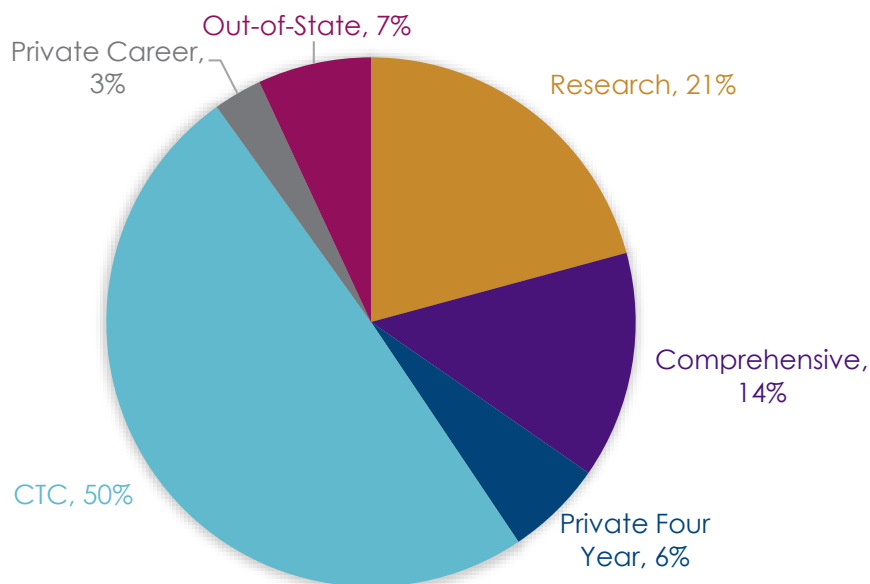
Figure 4. Postsecondary Enrollment Rates of High School Exit Cohorts: College Bound Scholars and Washington High School Graduates



Source: CBS Postsecondary Enrollment Rates (CBS): WSAC Application Data matched with National Clearinghouse Data December 2016. Washington High School Graduate Postsecondary Enrollment Rates (WA): ERDC High School Feedback Report.

About half of total CBS enrollments have attended community and technical colleges, seven percent enrolled out-of-state, and 35 percent enrolled in public baccalaureate institutions, as shown in Figure 5.

Figure 5. College Bound Scholar Enrollments by Sector: 2012-13 to 2015-16



Source: WSAC Application Data matched with National Student Clearinghouse data as of December 2016.

Postsecondary Persistence

College Bound persistence from the first to second year of college is higher than the national average of 69.6 percent for 2013 to 2014.² In the first three academic years, 2012-13 to 2014-15, first to second year persistence rates were 83, 79 and 74 percent, respectively.

The Washington State Institute for Public Policy will complete an academic outcomes evaluation of College Bound by 2018 (as assigned in RCW 28B.118.095).

Enrollments by Income

The income threshold for College Bound is family income within 65 percent of the state's median family income (MFI). Of the total number of students who enrolled in a state aid participating institution through 2016 (26,159), 85 percent were income-eligible for College Bound. Only 3 percent had a family income eligible for State Need Grant only (66 to 70 MFI) and 8 percent were ineligible for state aid (income above 70 MFI).

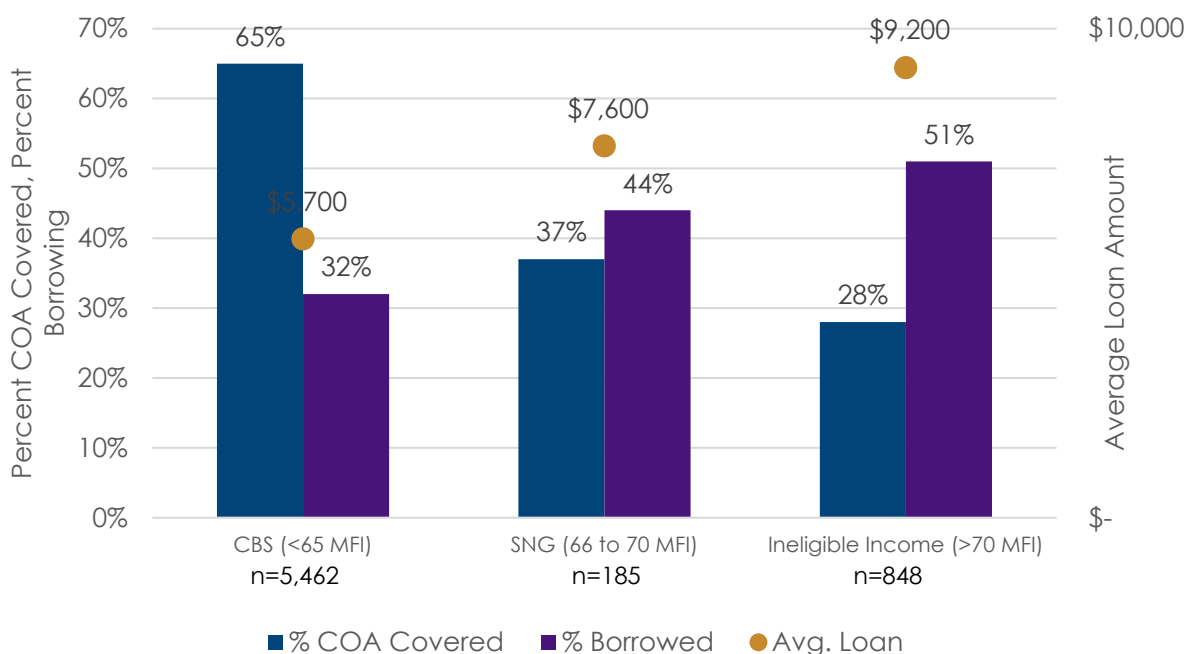
Financial Aid by Income Range

To illustrate the differences in financial needs of these three groups, the percent of the cost of attendance covered by aid (not including loans), as well as the percent of students who

² National Student Clearinghouse Research Center. Snapshot Report: Persistence and Retention. <https://nscresearchcenter.org/wp-content/uploads/SnapshotReport18-PersistenceRetention.pdf>

borrow and the average amount of loan debt, is illustrated in Figure 6. Of the students attending state aid institutions, 84 percent were College Bound income eligible. Those students had 65 percent of their cost of attendance (COA) covered with non-loan aid, compared to 28 percent for the students above the income cutoff for state grant aid.

Figure 6. College Bound Scholars, 2014-15: Percent of COA Covered, Percent of Borrowing and Average Loan by MFI



Source: WSAC College Bound State Need Grant Payment Dataset and Unit Record Financial Aid dataset.

Note: % COA covered is the percentage of cost of attendance covered by financial aid awards excluding loans.

COLLEGE BOUND AWARDING AND FUNDING

College Bound was designed to be an early commitment of an enhanced State Need Grant award. The College Bound award amounts are outlined in statute for public and private sectors, and are tied to public tuition plus a small book stipend. State aid is subtracted from the maximum award to determine the College Bound portion of the award.

Caseload Forecast Council

In 2011, the Legislature assigned CBS to the Caseload Forecast Council to assist with projecting student enrollments for budgeting purposes. As four cohorts have enrolled in college, the projected growth has tapered off. As of February 2017, the projected CBS eligible enrollments grow to 20,885 in 2018-19, as shown in Figure 7. The growth reflects improvements in sign-up as well as academic outcomes, and is projected to represent about one-fifth of the eligible SNG students.

Figure 7. Forecasted College Bound Scholarship Postsecondary Enrollments

2016-17	2017-18	2018-19
17,454	18,966	20,885

Source: Caseload Forecast Council. Forecast for College Bound Scholarship as of February 2017.
www.cfc.wa.gov/Monitoring/WSAC_CBSP.pdf

College Bound Scholarship Connections to State Need Grant

Since the CBS program launched, the Legislature directed several changes in State Need Grant. These include an expansion in SNG income eligibility to 70 percent, and changes to award amounts for private colleges, proration to awards by income expanded income ranges, and a direction to prioritize CBS students in the awarding of funds. In addition, since 2009, the number of eligible students for State Need Grant has exceeded funding appropriated with large number of students eligible for the program not receiving funding. In 2016, the number of students eligible and not receiving funding was about 24,000.

The 2013 Legislature directed that CBS be prioritized in awarding CBS and SNG and this was reaffirmed in the 2015 operating budget. By 2016, 100 percent of coordination was achieved, as shown in Figure 8.

Figure 8. College Bound Scholarship Coordination with State Need Grant

	2012-13	2013-14	2014-15	2015-16
CBS Recipients	4,689	8,343	11,672	14,605
CBS with SNG	70%	74%	80%	100%
CBS Average Award	\$2,750	\$2,447	\$2,308	\$1,343
SNG Average Award to CBS	\$5,620	\$5,915	\$5,817	\$5,742

Source: Washington Student Achievement Council program data.

Maintenance Budget Request for FY 17

Full coordination and prioritization of CBS was achieved in fiscal year (FY) 2016. However, the state operating budget assumed that coordination would not be achieved so quickly; this led to a surplus in College Bound and a deficit in State Need Grant. A 2016 supplemental budget proviso of \$18 million was provided to ensure the service level in SNG could be maintained, however, this was provided as one-time funds. If the Legislature does not restore funding to SNG in FY 2017, the service level will decrease and eligible, unserved students will increase.

Expenditure Flexibility

Because the College Bound Scholarship is an early promise of a State Need Grant, the two programs are inextricably linked. Due to coordination, every CBS student must receive an SNG award, thus, the forecasted enrollment of CBS-eligible students is critical for both programs' appropriation levels. If more CBS students enroll than were projected, the state must ensure that they receive both awards. If fewer CBS students enroll, then WSAC will have unspent funds in CBS that revert to the General Fund at the end of the biennium.

To prevent students from becoming unserved in State Need Grant—and to prevent over-appropriations in College Bound—the legislature could appropriate funds for both programs in one proviso. The legislature currently does this with State Need Grant and State Work Study. This would provide flexibility for WSAC to cover a small shortfall in CBS with SNG funding, or direct a surplus in CBS to the unserved in SNG.

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