Overview of State Financial Aid

Senate Higher Education & Workforce Development

January 17, 2019

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WSAC’s Primary Duties

Policy & Research
- Attainment goals
- System & workforce needs
- Academic efficiency policies
- Recommendations for student success

Affordability
- Savings: GET ( Guaranteed Education Tuition) & DreamAhead
- Financial aid administration
- Workforce shortage programs

Access & Support
- College Bound Scholarship
- Ready, Set, Grad
- GEAR UP
- 12th Year Campaign
- Washboard.org
- Adult Reengagement

Consumer Protection
- Degree authorization
- Veterans’ benefits
- Complaint resolution
- Program compliance
- Student Loan Advocate
Reaching the State’s Attainment Goals

Washington population ages 25-44

100% High school

70% Postsecondary

70% statewide postsecondary attainment goal

Four Critical Challenge Areas to Address

- Address regional workforce shortages.
- Engage and support local communities.
- Remove barriers for underserved students.
- Support underrepresented students.

- Regional Networks
- Affordability
- Opportunity Gaps
- Adult Learners

- Provide multiple affordable pathways to a wider variety of careers.
- Address financial barriers associated with different pathways.
- Recruit and support adult learners.
- Target outreach and support to former students with credits.
Affordability Framework

Using data to improve understanding of higher education affordability in Washington.
What is Affordability?

State legislatures have key policy levers to make college affordable for all students.

**STUDENT LOANS**
During the great recession, annual debt doubled for students attending community colleges and increased by up to 61% for those in the public four-year system.*

**WORK**
A recent statewide survey revealed that nearly 2/3 of students are working while in college. Half of working students work more than 20 hours per week.

**SAVINGS**
According to a 2012 study by the U.S. GAO, families with 529 plans or Coverdells had median incomes of about $142,400 per year.

**FAMILY SUPPORT**
Nearly 1/3 of students at community colleges and 2/3 of students at four-year colleges rely on parental support.*
## Measuring Affordability

Paying for postsecondary education has three major components:

<table>
<thead>
<tr>
<th>Costs</th>
<th>Aid</th>
<th>Student Options</th>
</tr>
</thead>
<tbody>
<tr>
<td>Include tuition and fees, books, room and board, etc.</td>
<td>The system by which some costs are reduced or waived, lowering total cost for recipients.</td>
<td>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.</td>
</tr>
</tbody>
</table>
Volatility in Tuition Rates Impacts Affordability

Following steep increases during the recession, tuition held steady and made unprecedented decreases.

Washington Resident Undergraduate Public Tuition Rates

- Research
- Comprehensive
- Community/Technical Colleges
Nearly Half of Seniors Are Completing the FAFSA

Washington Public HS Seniors FAFSA Completion 2017-18

- No FAFSA: 42.7%
- Processed Successfully: 54.6%
- Submitted with Errors: 2.7%
Affordability constraints reduce the number of students realizing their educational aspirations.

Average Cumulative Debt for Washington Borrowers

Source: Federal Reserve Bank of New York Consumer Credit Panel
State Student Financial Aid

Washington provides need-based aid to ensure low-income students have an equal opportunity to participate in higher education.
Programs target low-income students, high-demand fields, and work-based learning.

### Grants (need-based)
- **State Need Grant**
- **College Bound Scholarship**
- **Opportunity Grant (SBCTC)**

### Merit Partnerships
- **WA Opportunity Scholarship program (WA STEM)**
- **Leadership 1000 (CSF)**

### Workforce
- **State Work Study**
- **Loan Forgiveness or Repayment – Teachers & Health**

### Population Targets
- **Passport to Careers**
- **Worker Retraining, BFET & Workfirst (SBCTC)**

Washington Has Strong State Aid Programs
• Institution will build optimal package based on eligibility and program rules.

• Institution policies will determine which students are selected for discretionary programs.
Financial Aid Packages Vary by Income

- Low-income students have financial gaps.
- Institutional aid supports middle income.
- Students are borrowing at all income levels.

## Grant Programs Serve Different Students

<table>
<thead>
<tr>
<th></th>
<th>State Need Grant</th>
<th>College Bound Scholarship</th>
<th>WA Opportunity Scholarship</th>
<th>SBCTC Opportunity Grant</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number Students</td>
<td>68,500</td>
<td>16,000</td>
<td>3,000</td>
<td>4,600</td>
</tr>
<tr>
<td>% Two-Year</td>
<td>57%</td>
<td>42%</td>
<td>13%</td>
<td>100%</td>
</tr>
<tr>
<td>% Four-Year</td>
<td>43%</td>
<td>58%</td>
<td>87%</td>
<td></td>
</tr>
<tr>
<td>% Younger than 24</td>
<td>59%</td>
<td>100%</td>
<td>98%</td>
<td>21%</td>
</tr>
<tr>
<td>% Dependent &amp; Avg. Income</td>
<td>46%</td>
<td>$29,200</td>
<td>91% $30,100</td>
<td>93% $53,600</td>
</tr>
<tr>
<td>% Independent &amp; Avg. Income</td>
<td>54%</td>
<td>$16,000</td>
<td>9% $9,000</td>
<td>7% $16,500</td>
</tr>
<tr>
<td>Students of Color</td>
<td>47%</td>
<td>65%</td>
<td>58%</td>
<td>48%</td>
</tr>
<tr>
<td>Have Children</td>
<td>24%</td>
<td>3%</td>
<td>1%</td>
<td>49%</td>
</tr>
</tbody>
</table>

Note: State aid student profile, 2016-17. Unit Record Report.
Washington is nationally recognized for its commitment to financial aid.

State Need Grant (SNG) has supported low-income undergraduate students for 50 years.

Grant aid is a critical strategy to reach the state’s attainment goals.

College Bound is an early college promise program.

Local promise programs rely on state aid.

Forecasted and rebranded SNG will simplify messaging and provide predictability.
State Need Grant Is the State’s Largest Aid Program

- State Need Grant lacks resources to fund eligible students.
  - 45% students of color
  - ¼ have children
  - Over 40% are older than 24

Unserved SNG Students 2017-18 by Sector

- Research: 47%
- Regional: 1%
- Private 4: 24%
- CTC: 18%
- Private 2: 10%
Large Numbers of Students Remain Unserved by SNG

State Need Grant Service Levels

<table>
<thead>
<tr>
<th>Year</th>
<th>Served</th>
<th>Unserved</th>
</tr>
</thead>
<tbody>
<tr>
<td>2010</td>
<td>72,500</td>
<td>5,500</td>
</tr>
<tr>
<td>2011</td>
<td>72,300</td>
<td>22,000</td>
</tr>
<tr>
<td>2012</td>
<td>74,700</td>
<td>38,800</td>
</tr>
<tr>
<td>2013</td>
<td>74,000</td>
<td>31,000</td>
</tr>
<tr>
<td>2014</td>
<td>70,100</td>
<td>31,000</td>
</tr>
<tr>
<td>2015</td>
<td>71,100</td>
<td>27,200</td>
</tr>
<tr>
<td>2016</td>
<td>68,600</td>
<td>24,400</td>
</tr>
<tr>
<td>2017</td>
<td>68,500</td>
<td>20,800</td>
</tr>
<tr>
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<td>68,200</td>
<td>22,600</td>
</tr>
<tr>
<td>2019</td>
<td>70,000</td>
<td>18,000</td>
</tr>
</tbody>
</table>

2010-2019 est.
Student Success
CBS Students Are Graduating at Statewide Rates

- 61% of CBS Scholars are students of color.
- 20,000 recipients in 2019.
- Over 250,000 have signed up.
- All foster youth are automatically enrolled.
• 21,000 students are forecasted to enroll in 2020.
• About \( \frac{3}{4} \) of Scholars persist to the second year.

Source: WSAC Application Data matched to National Student Clearinghouse December 2017. ERDC High School Feedback Report.
Receipt of State Need Grant is associated with higher re-enrollment and completion rates.

State Need Grant leads to higher retention in the CTCs.

- A 25% change in the SNG award amount results in a 4 to 8 percentage point change in completion rates for the lowest income students. (WSIPP Study: Bania, N., Burley, M., & Pennucci, A., 2013)

- 71% of SNG students who start in the fall remain enrolled compared to 59% of unserved students. (SBCTC, 2013)

Lack of State Need Grant leads to increased borrowing, changes in living circumstances, increased work hours, and adjustments to educational plans. (WSAC student survey, 2013)
SNG students graduate at rates slightly below all students.

- 66% compared to 70% for high school direct.

Transfer students who receive SNG have equal or improved outcomes.

- Graduation rate 76% compared to 73% statewide.

Course completion is at 92% compared to 93% for non-SNG students.

Continue the conversation

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