

**Access, Affordability, Achievement:**  
*Annual Report on  
State Financial Aid Programs*

**January 2012**

WASHINGTON  
**HIGHER  
EDUCATION**  
COORDINATING BOARD



**WASHINGTON**  
OPPORTUNITY PATHWAYS

## HECB STUDENT FINANCIAL ASSISTANCE ADMINISTRATION

The Student Financial Assistance (SFA) Division manages the college access and financial aid programs for the Higher Education Coordinating Board. The SFA division has responsibility for multiple legislatively assigned tasks, and works directly with postsecondary institutions and stakeholders to support students. Below are the vision, mission, and value statements developed for the HECB's SFA Division.

### VISION

*Improve Washington's future by expanding access, affordability, and achievement in higher education.*

### MISSION

- **Inspire** Washington citizens to aspire to and achieve educational attainment.
- **Promote** the access and affordability opportunities provided by the state of Washington to its citizens.
- **Serve** students, families, schools, institutions, and others with excellence.
- **Support** innovation and efficient administration of programs and activities.
- **Provide** oversight, communication, and technical assistance to stakeholders.

### VALUES

- Professionalism and respect
- Integrity and stewardship of public funds
- Honest and transparent communication and stakeholder involvement
- Internal and external accountability
- Innovation and creativity
- Efficiency and automation



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## **Access, Affordability, and Achievement: Annual Report on State Financial Aid Programs**

### **Executive Summary**

The role of financial aid in helping students enroll and succeed in college becomes increasingly important as college prices continue to rise more rapidly than family incomes. The state of Washington has a longstanding commitment to postsecondary education opportunities for all students – regardless of income.

The Annual Report of State Financial Aid Programs provides members of the Higher Education Coordinating Board (HECB) and the Legislature with an overview of the previous year's state aid and college access programs, while highlighting trends in policy and programs.

Specifically, the report describes recent state and federal legislative changes in financial aid, explains notable trends in student aid, and details the amount of aid disbursed to needy students in 2010-11.

Also included are program briefs for the State Need Grant, State Work Study, GEAR UP, College Bound Scholarship, TheWashBoard.org, and Passport to College for Foster Youth programs. An implementation update for the Aerospace Student Loan Program also is included.

### **Highlights of this report include:**

- **4,000 more students** received \$207 million more in financial aid in 2010-11, than in the previous academic year.
- **Average annual loan amounts** are increasing for all students.
- **Aid for resident, undergraduate students** has increased 34 percent over the previous two years.
- **The growth in applications for need-based aid** has begun to stabilize, but still constitutes a 64 percent rise over a three-year period.
- **The number of unserved State Need Grant-eligible students** continued to grow for a third year, reaching more than 25,000 unserved in 2010-11. A similar increase is projected for 2011-12.

- **Significant developments in the State Need Grant program include:**
  - Mid-year funding reduction of \$25 million in 2010-11 meant public institutions served more than 3,000 eligible students with their own funds.
  - The Legislature appropriated an additional \$107 million to allow lowest income students to keep pace with public sector tuition increases for 2011-13.
  - Changes to private award amount policies result in lower award amounts for students attending private institutions.
- **Several state student aid programs underwent budget reductions** and suspensions, including continued funding reductions and policy changes to the State Work Study program.
- **The Legislature appropriated new funding** to create the Aerospace Loan and Opportunity Scholarship programs.

There is little doubt that the Great Recession that began in late 2007 has had profound and far reaching impacts on the higher education system in Washington. With demand surging as resources decline and costs grow, policymakers face an unprecedented challenge in maintaining the access and affordability levels necessary to produce enough college graduates to sustain future economic growth.

Continuing Washington's longstanding commitment to the vitality of its financial aid system remains an essential component of any effective strategy for achieving the state's higher education attainment goals.

This report aims to provide decision makers with up-to-date policy context and performance information. The goal is to help ensure that upcoming policy decisions concerning financial aid and higher education generally benefit from a comprehensive picture of the student financial aid program as it exists today.

## I. 2011 STATE AND FEDERAL FINANCIAL AID BUDGET & LEGISLATIVE ACTIONS

As the state Legislature faced budget shortfalls in 2011, several budget actions were taken that affected student financial aid programs. The 2011 Legislative Session also authorized new financial aid programs and passed initiatives that impact affordability for students as outlined in this chapter.

### 2010-11 SUPPLEMENTAL BUDGET ACTION — MID-YEAR REDUCTION TO STATE NEED GRANT

Facing a budget shortfall during the 2010-11 fiscal year, the 2011 Legislature reduced funding to the State Need Grant program by \$25.385 million dollars mid-year. Public institutions were asked to offset the cut to the program by replacing the State Need Grant funds with institutional funds. More than 3,000 SNG-eligible students received replacement funds from the institutions. (See *State Need Grant Program Overview*, p. 14.)

### 2011-2013 BIENNIAL BUDGET ACTIONS

The 2011-13 Biennial Operating Budget provided state student financial aid programs administered by the HECB more than \$607 million for the biennium. (See *Financial Aid Program Budgets*, p. X) The majority of the appropriation (\$569 million) was provided to the State Need Grant program.

The Legislature's commitment to students from low-income families was reflected in the \$107 million increase to the **State Need Grant** program. Funding was provided to mitigate the impact of double-digit tuition increases for the lowest income students served by the program. Funding also was provided for two new programs: the **Aerospace Loan Program** and the **Opportunity Scholarship Program**. **Passport to College**, State Expanded **GEAR UP**, **CAMP**, and **Leadership 1000** also were funded.

Other remaining programs were reduced or suspended – for a total of \$44.6 million. More than two-thirds of the total reduction was applied to the **State Work Study** program, which was reduced by \$30.37 million. The two merit programs of **Washington Scholars** and **Washington Award for Vocational Excellence** had funding suspended for new students.

Funding for the **Foster Care Endowment** and **Community Scholarship Matching Grant** was suspended. In addition, **Health Professional Conditional Scholarship and Loan Repayment**, **Future Teachers Conditional Scholarship**, and the **WICHE Professional Student Exchange** had no funding provided for new students. However, commitments to previously selected students in all programs were upheld, either through direct appropriation, or via a previously dedicated account.

### 2011-2013 TUITION AND FEE INCREASES

For the 2011-13 biennium, State Need Grant awards are tied to the tuition and fee levels outlined in the operating budget. Tuition increases at the University of Washington, Washington State University, and Western Washington University were set at 16 percent; for Central Washington University and The Evergreen State College at 14 percent; for Eastern Washington University at 11 percent; and for the community and technical colleges at 12 percent. However, the University of Washington raised tuition by 20 percent as permitted in E2SHB 1795. (See *Higher Education Opportunity Act*, p. 3.)

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### CHANGES TO SNG PRIVATE SECTOR AWARD AMOUNTS

To achieve a savings, the 2011 Legislature decoupled the private sector award amounts from historical public sector benchmarks. Private institution awards grew at a rate of 3.5 percent, rather than being tied to the tuition and fee growth rate at public institutions. Additionally, the for-profit sector awards were reverted to the previous award year prior to the new 3.5 percent growth rate being applied. These two policy changes are assumed to save \$4.6 million for the first year of the biennium, and students will lose between 20 and 60 percent of the value of their award.

In addition, new students at for-profit institutions had their awards reduced by half, compared to continuing students in this sector. As a result, in 2011-12, a new student whose income falls within 50 percent of the state's median family income and attends a for-profit two-year institution is eligible for \$1,357 – compared to a community college student who is eligible for \$3,256. This policy change is anticipated to save \$1.25 million per year.

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### STATE NEED GRANT LESS-THAN-HALFTIME PILOT PROJECT

After a six year pilot, eligibility for students attending less-than-halftime was extended for two years in the 2011 budget. The 2011 Legislature incorporated \$500,000 in additional funding for less-than-halftime SNG- eligible students in both fiscal years. The funds are incorporated in the SNG program, thus allowing campuses to serve students at any enrollment level.

The HECB is required to report to the Legislature by December 2013, on the number of students enrolled less-than-halftime and on their academic progress including degree completion – compared to SNG students at other enrollment levels. The State Board for Community and Technical Colleges has provided data to the HECB to begin a longitudinal analysis of SNG student outcomes.

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### POLICY CHANGES TIED TO BUDGET REDUCTION IN STATE WORK STUDY PROGRAM

The 2011 Legislature reduced funding to the State Work Study (SWS) program in 2011-13 by about 66 percent – or \$30 million over the biennium. This funding reduction will likely translate into the loss of State Work Study opportunities for some 4,300 students in 2011-12, and the forfeiture of an estimated \$6 million in employer matching funds.

To maximize resources and minimize service reductions, the Legislature directed the HECB to raise the employer matching requirements and eliminate service to non-resident students. In addition, the HECB implemented several policy decisions to maximize State Work Study opportunities. The ability for SWS students to work full-time during school breaks was suspended and SWS Special Projects, which provide administrative dollars and higher wage subsidies were suspended for 2011-12. (See State Work Study Program Overview, p.21).

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### FOSTER CARE ENDOWED SCHOLARSHIP FUNDS DIRECTED TO PASSPORT TO COLLEGE

The 2011 Legislature redirected funds from the Foster Care Endowed Scholarship (FCES) for purposes of funding Passport to College Promise Scholarships. FCES was created in 2005 to help youth who have been in the Washington state foster care system attend college. It was funded through an endowment, which was to be matched with private donations.

FCES was created before the Passport program and it was determined that the endowed funds should be used to assist students from foster care through the Passport program. The Legislature transferred \$400,000 from FCES to the general fund and provided an equal amount to Passport for the 2011-13 biennium.



## LEGISLATIVE CHANGES RELATED TO STATE STUDENT AID

There were two new financial aid programs created (Opportunity Scholarship and Aerospace Student Loan) as well as two higher education omnibus bills that affect student aid authorized in 2011 as outlined below.

### OPPORTUNITY SCHOLARSHIP (ESHB 2088)

The 2011 Washington Legislature created the Opportunity Scholarship program to assist lower and middle-income students, and invest in high employer demand programs. The program is designed to serve both students starting at four-year institutions and those who start at two-year institutions with the intent to transfer. Two private companies: The Boeing Company and Microsoft Corporation, pledged \$5 million each per year over the next five years to the program. The 2011 Legislature provided \$5 million dollars in matching funds for the program.

The Opportunity Scholarship Board (OSB) will have seven-members including at least three selected by the Governor. The OSB will provide oversight and guidance for the Opportunity Scholarship and Opportunity Expansion program and raise additional scholarship funding. The OSB will appoint and oversee the work of the Administrator. The Administrator will staff the OSB and manage the Opportunity Scholarship program.

The HECB has designated the College Success Foundation (CSF) as the Planning Administrator. CSF is developing a scholarship process and selection criteria proposal for consideration by the OSB. The Governor named the OS Board members in December and they are expected to meet early in 2012. The HECB will manage the opportunity scholarship match transfer account.

### AEROSPACE TRAINING STUDENT LOAN PROGRAM (ESHB 1846)

The 2011 Legislature created this student loan program to assist students interested in receiving training in the state's Aerospace industry. The loan amounts are a maximum of \$4,800 to cover two modules of training for the aerospace training certificate. Once coursework is completed, the graduates are given a grace period to find employment and then are expected to begin making payments toward the loan, which is to be repaid within three years.

Applicants will be accepted until the \$250,000 allocated to the program is fully committed. The December 2011 Special Legislative Budget Session provided an additional \$1 million in program funds for the 2012-13 fiscal year. (See Aerospace Loan Implementation Summary, p. 46.)

### HIGHER EDUCATION OPPORTUNITY ACT (E2SHB 1795)

The 2011 Legislature provided public baccalaureate institutions with four years of flexible tuition setting authority. Campuses that raise tuition above budgeted levels must convert a larger share of tuition revenue as financial aid to needy students.

The legislation includes specific changes related to student financial aid programs:

- For many years, institutions have been required to set aside 3.5 percent of operating fees to fund institutional financial aid for needy students. All four-year institutions are now required to set aside a minimum of 4 percent for this purpose. In addition, institutions raising tuition above levels approved in the state operating budget are required to set aside five percent of their operating fees for this purpose.

- Baccalaureate institutions raising tuition above budgeted levels must provide financial assistance to State Need Grant-eligible students via a specific formula depending on tuition as a percentage of median family income for various income brackets up to 125 percent of the median family income.
- Public baccalaureate institutions must report on their methods of providing financial assistance, impacts of tuition increases on resident students including debt burdens, and plans to mitigate for tuition increases.
- The HECB, in consultation with four-year colleges and universities and the SBCTC, must develop State Need Grant award criteria and methods of disbursement based on level of need, and not solely rely on a first-come, first-served basis.

As a result, financial aid administrators from most four-year institutions have implemented campus-specific priorities such as lowest MFI range, continuing recipients, and students approaching completion. The two-year colleges award within state priorities and tend to serve students as they enroll.

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## RESTRUCTURING OF THE HIGHER EDUCATION COORDINATING BOARD (E2SSB 5182)

Legislation proposed to eliminate the Higher Education Coordinating Board and transfer the administration of financial aid programs and the Guaranteed Education Tuition program to a new Office of Student Financial Assistance effective July 1, 2012.

A separate Council on Higher Education was created and would be expected to take on a number of former duties performed by the HECB. A Legislative Steering Committee chaired by the Governor was asked to review the purpose and functions related to coordination, planning and communication as well as consider options related to administration and regulation of the state's financial aid and Guaranteed Education Tuition program.

The final report of the steering committee recommends creation of an Office of Student Achievement – presented with two options – see: [www.governor.wa.gov/priorities/education/committee/final\\_report.pdf](http://www.governor.wa.gov/priorities/education/committee/final_report.pdf)

**Option A:** Create a preschool through postsecondary organizational structure and incorporate the State Board of Education with the Higher Education Coordinating Board to streamline state-level education coordination and planning and improve transitions for students.

**Option B:** Create a secondary through postsecondary organizational structure with an emphasis on transitions between high school and postsecondary as well as transfer between two and four-year institutions.

Both options include an advisory committee with citizen members, and representatives from the Office of the Superintendent of Public Instruction, the State Board for Community and Technical Colleges, the four-year institutions, and the Workforce Training and Education Coordinating Board. Option A also included a member from the Department of Early Learning.

The report notes that under both options financial aid would be placed in the new Office as a “crucial ingredient that helps students in planning their future and provides students with access to postsecondary education or training.” The committee discussed the importance of the close connection between financial aid and planning and coordination, according to the report.



## KEY DEVELOPMENTS IN FEDERAL FINANCIAL AID

Despite several major reductions or changes to federal financial aid programs to achieve savings, there has been good news for Washington in the realm of college access programs, as described in this section.

### GEAR UP FUNDING

The HECB received a new six-year, \$27 million GEAR UP state grant from the U.S. Department of Education to serve nearly 6,000 students in 28 low-income school districts statewide. GEAR UP, which stands for Gaining Early Awareness and Readiness for Undergraduate Programs, is a federal program that takes a holistic approach to student success through professional development and school reform efforts.

The program also provides academic, social and financial support services for low-income students in middle and high schools and in the first year of post-secondary education. Enrollment trends demonstrate tremendous increase in student access to higher education, especially among those of the Hispanic population. (See *GEAR UP Program Brief*, p. 34.)

### COLLEGE ACCESS CHALLENGE GRANT (CACG) FUNDING RESTORED

The College Access Challenge Grant (CACG) is a federal program that supports the college access and success of low-income students and their families. Congress authorized the program in 2008 at \$66 million and then reauthorized it in 2010 for \$150 million. Washington receives about \$2 million per year. Through collaborations with other non-profit organizations and partners, the CACG grant addresses the need for broader services to low-income students in Washington.

The Washington CACG grant administered by the HECB works with institutions of higher education, the College Success Foundation, the Northwest Education Loan Association, and Metropolitan Development Council of Tacoma to deliver services ranging from college visits, informational activities on college admissions and financial aid opportunities, college core and mentor advising, and support of students and their parents in the College Bound Scholarship program. The HECB was able to collaborate with partners and supporters to successfully demonstrate that the state met its maintenance of effort requirements for the CACG program, and thereby retained funding of \$2.1 million for the current year (see *CACG Brief*, page 38).

### FEDERAL LEVERAGING DOLLARS ELIMINATED (LEAP AND SLEAP)

Two federal financial aid programs were eliminated beginning in 2011-12: the federal Leveraging Education Assistance Partnership (LEAP) and Special Leveraging Education Assistance Partnership (SLEAP). LEAP/SLEAP provided matching dollars that were incorporated into both State Need Grant and State Work Study to assist more need-based students. These funds were designed to encourage states to begin or continue to provide need-based aid to eligible students by providing federal matching funds to state contributions.

As a result of LEAP/SLEAP elimination, the HECB's need-based financial aid programs will lose approximately \$1.8 million in federal Title IV funds annually. This will result in about 600 students not served in State Need Grant and further exacerbate the significant reductions to State Work Study.

In addition, the loss of Title IV funds incorporated into the State Work Study program means that earnings from the program can no longer be excluded from income benefit calculations for the purposes of the Targeted Assistance to Needy Families (TANF) program as well as for unemployment benefits calculations by the Employment Security Department.

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## CHANGES TO PELL GRANT AND FEDERAL LOANS

Beginning with the 2009-10 academic year, students had been able to receive “year-round” Pell, which allowed them to receive a Pell Grant throughout the academic year, including summer. As a response to federal budget cuts starting fall 2011, this option was discontinued. As a result, students can only receive Pell Grant year-round if they did not attend full-time during a term, which allows remaining funds to be available.

A federal budget bill (HR 3671) included 2012-13 funding levels for federal student aid programs and maintained the \$5,550 maximum Pell Grant, which has not increased for two years. The duration of eligibility was reduced to 12 full-time semesters from 18.

The bill also included a provision to temporarily eliminate the interest subsidy on undergraduate subsidized Stafford loans during the six-month grace period. The previous budget control act of 2011 eliminated all interest subsidies in the federal Stafford loan programs for graduate and professional students. Graduate students also lost rebates for on-time repayments.

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## INITIATIVES TO STREAMLINE THE FAFSA: IRS DATA MATCHING

The IRS Data Retrieval tool is a new innovation in the FAFSA online application. The tool will provide students and families a more streamlined application process and ensure applications have more accurate data, contributing to increased accuracy in awarding aid. FAFSA applicants will be able to select the IRS Data Retrieval option beginning in February of each application cycle which will allow a transfer of their financial information directly from the IRS to their FAFSA application rather than entering the information manually.

Students who file their FAFSA before April 15<sup>th</sup> have always been asked to return to their FAFSA online application to indicate they have filed their taxes and update their estimated financial information; now these data may be retrieved electronically at that time.

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## FINANCIAL AID ESTIMATES AVAILABLE ON CAMPUS WEBSITES – “NET PRICE CALCULATOR”

Under federal financial aid regulations, all undergraduate postsecondary institutions were required to have a “Net Price Calculator” on their website, as of October 29, 2011. This allows students to calculate approximately how much they will pay at the school after estimated financial aid has been taken into consideration. Students and families can then compare net prices for the schools they are considering to attend.

## II. FINANCIAL AID TRENDS 2010-11

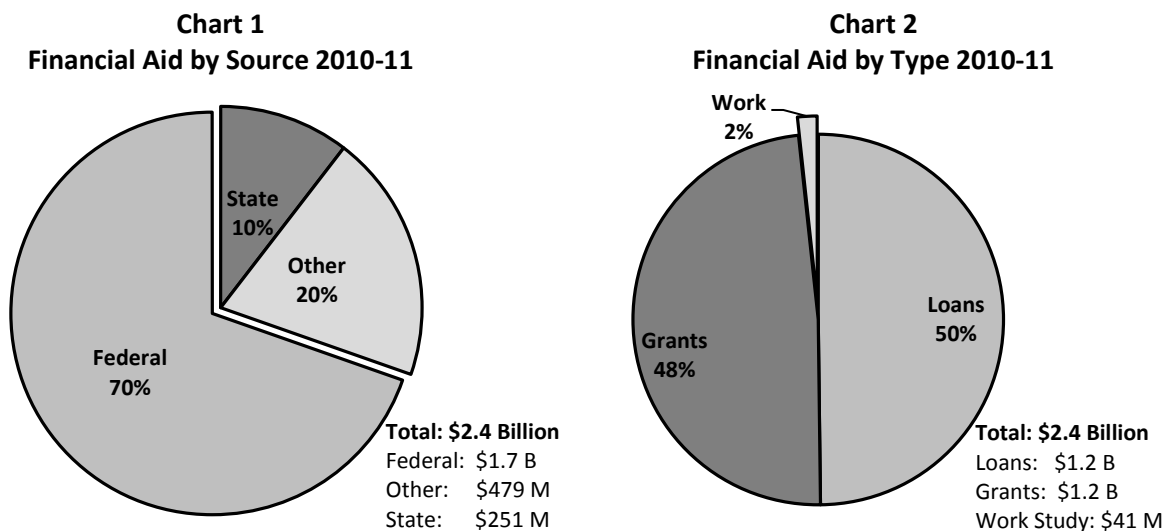
In 2010-11, a total of \$2.4 billion was provided to about 186,800 needy<sup>1</sup> Washington students from state, federal, and other sources. This represents an increase of about \$207 million, and 4,000 students, from 2009-10.

There has been a 34 percent increase in funding awarded to needy students in a two year period. The shift in need-based recipients attending community and technical colleges has begun to stabilize (from 46 percent in 2008-09 to 52 percent in 2009-10, versus 51 percent in 2010-11).

Total aid disbursed was in the form of grants, work study, and loans. As in previous years, the federal government provided the majority of the aid. About 69 percent of the federal aid was in the form of loans and 28 percent of federal aid consisted of Pell grants (see Charts 1 and 2).

**Grants** include federal and state grants, institutional grants and tuition waivers, and private scholarships received by need-based recipients. **Loans** are mostly federal and require repayment with interest, usually after graduation. Private loans are included for students who otherwise received need-based aid. **Work Study** is both federal and state – part-time employment opportunities offering subsidized wages.

**State aid** accounted for 11 percent of the total aid. This included \$232 million disbursed through programs administered by the HECB, consisting primarily of the State Need Grant program (See Chapter III).



Source: The 2010-11 Unit Record Report includes all aid received by students eligible for need-based aid at the 68 colleges and universities currently participating in the State Need Grant program. This report does not address alternative financing methods such as private loans, credit card debts, or federal tax credits, which may be used by some students and their families.

<sup>1</sup> The term *needy* is used in this context to refer to students receiving “need-based” aid. If a student’s expected financial contribution from their family is less than their total cost of attendance (tuition, room and board, transportation, etc.), they are eligible for need-based aid.

## STATE AID EXPENDITURES 2010-11

In 2010-11, about \$232 million in state aid was disbursed through programs administered by the HECB. More than 87,000 students attending 83 campuses received assistance through these state programs. About 95 percent of the total program funds supported need-based programs. Of the remainder, 3 percent was directed to workforce programs and 2 percent to merit programs.

The HECB also administers several activities that indirectly benefit students but are not direct financial aid, including:

- The **Community Scholarship Matching Grant (CSMG)**, which provided \$2,000 in state funding to 100 community-based 501(c)(3) organizations. The funds were used as matching dollars for scholarships raised by the organizations. In addition, per budget proviso, \$46,000 was provided to the Northwest Dollars for Scholars organization for its work to develop community-based scholarship programs. All CSMG funds are suspended for the 2011-13 biennium.
- The **College Assistance Migrant Program (CAMP)**, which provided \$25,000 in state funds to supplement the federal CAMP program at seven colleges. The funds are used for educational services to migrant and seasonal farm workers and their children.
- The **Leadership 1000** scholarship program matches private benefactors, family foundations, businesses and corporations with selected economically disadvantaged students for the purpose of funding scholarships for such students, and providing mentoring and other support to maximize their chances of graduating with a Bachelor's degree.

The HECB contracts with the College Success Foundation for the administration of the program including fundraising, scholarship application processing, and the selection of recipients. The 2010-11 appropriation for Leadership 1000 was reduced from \$500,000 to \$400,000.

- **State Expanded GEAR UP** was provided with \$1 million in 2010-11. This funding has helped Washington leverage \$27 million in federal funding over the next six years. The state funding has supplemented GEAR UP services and helped the program meet the dollar for dollar match requirement of GEAR UP. This funding allowed the HECB to serve an additional 13 high poverty school districts – addressing the college preparation and readiness needs of more than 1,000 students and their families.
- **Child Care Matching Grants** provide funding for public four-year institutions to address the need for high quality, accessible and affordable child care for students. This program was suspended in 2010-11, but funding was added back for the 2011-13 biennium at \$75,000 per year.

Table 1 provides expenditures by program administered by the HECB, which served students in 2010-11 and anticipated funding for 2011-12.

**Table 1**  
**State Financial Aid Program Funding to Students: 2010-11 and 2011-12**

| Public Purpose                          | Program  | 2010-11          |                              | 2011-12                |                           |
|---|--|------------------|------------------------------|------------------------|---------------------------|
|   |  | Dollars Expended | # of Recipients <sup>4</sup> | Estimated Expenditures | Estimated # of Recipients |
| <b>Access</b>                           | <b>State Need Grant</b><br>Need-based grant for low-income undergraduates whose current income is 70% or less of median family income. Includes less-than-half-time students.          | \$204 m          | 72,000                       | \$267 m                | 70,000                    |
|   | <b>State Work Study</b><br>Part-time work for financially needy undergraduate and graduate students.   | \$14.3 m         | 7,557                        | \$7.8 m                | 3,500                     |
|   | <b>Educational Opportunity Grant<sup>1</sup></b><br>Need-based grant for transfer students.  | \$940,074        | 457                          | N/A <sup>1</sup>       | N/A <sup>1</sup>          |
|   | <b>Passport to College Program for Foster Youth</b><br>Scholarships for eligible former foster youth.  | \$1.2 m          | 381                          | \$1.4 m                | 432                       |
| <b>Affordability &amp; Merit</b>        | <b>Gaining Early Awareness and Readiness for Undergraduate Programs (GEAR UP) Scholarships</b><br>Scholarships to students who participate in an early awareness and outreach program. | \$738,000        | 261                          | \$416,000              | 150                       |
|   | <b>American Indian Endowed Scholarship</b><br>Funds scholarships for needy undergraduate students with close social and cultural ties to American Indian community.                    | \$7,750          | 12                           | \$14,800               | 14                        |
| <b>Merit</b>                            | <b>Washington Scholars</b><br>Four-year merit scholarships to high school students in the top 1% of their class from each legislative district.  | \$2.8 m          | 377                          | \$2.3 m                | 268                       |
|   | <b>Washington Award for Vocational Excellence<sup>2</sup></b><br>Two-year merit scholarship for outstanding vocational students from each of legislative district.                     | \$.95 m          | 205                          | \$1 m                  | 188                       |
| <b>Targeted to Employment Shortages</b> | <b>Alternative Routes to Teaching<sup>2</sup></b><br>Supports prospective and current teachers to obtain shortage area endorsements.   | \$1.75 m         | 531                          | \$1.5 m                | 450                       |
|   | <b>Future Teachers Conditional Scholarship<sup>3</sup></b><br>Conditional loans or repayments toward federal loans for students pursuing or in high demand teaching fields.            | \$380,774        | 73                           | \$40,000               | 8                         |
|   | <b>Get Ready for Math &amp; Science<sup>2&amp;3</sup></b><br>Conditional loans for a cohort of students who major in math or science and work a related field in-state.                | \$703,000        | 98                           | \$969,500              | 99                        |
|   | <b>Health Professional Loan Repayment &amp; Scholarship Programs<sup>3</sup></b><br>Loan repayment assistance students pursuing or in primary care health fields.                      | \$4.3 m          | 244                          | \$3 m                  | 218                       |
|   | <b>WICHE Professional Student Exchange</b><br>Conditional loans to study optometry or osteopathy, programs not offered in Washington.  | \$159,400        | 9                            | \$71,000               | 4                         |
| <b>Total</b>                            |  | <b>\$232 m</b>   | <b>82,205</b>                | <b>\$285 m</b>         | <b>75,331</b>             |

<sup>1</sup>Educational Opportunity Grant was eliminated as a separate program in 2009. The eligibility criteria went into the State Need Grant statute, however, the sub-program has not been funded. Only continuing students were served in 2010-11 and no future commitments to new students were made.

<sup>2</sup>The HECB is the fiscal agent for these programs.

<sup>3</sup>The expenditure represents funds appropriated from previous years. Appropriations are committed at the time they are received to eligible students for the anticipated duration of their academic program which may extend over multiple years.

<sup>4</sup>The numbers included in headcount totals may include duplicative students.

## DEMAND FOR STATE NEED GRANT CONTINUES

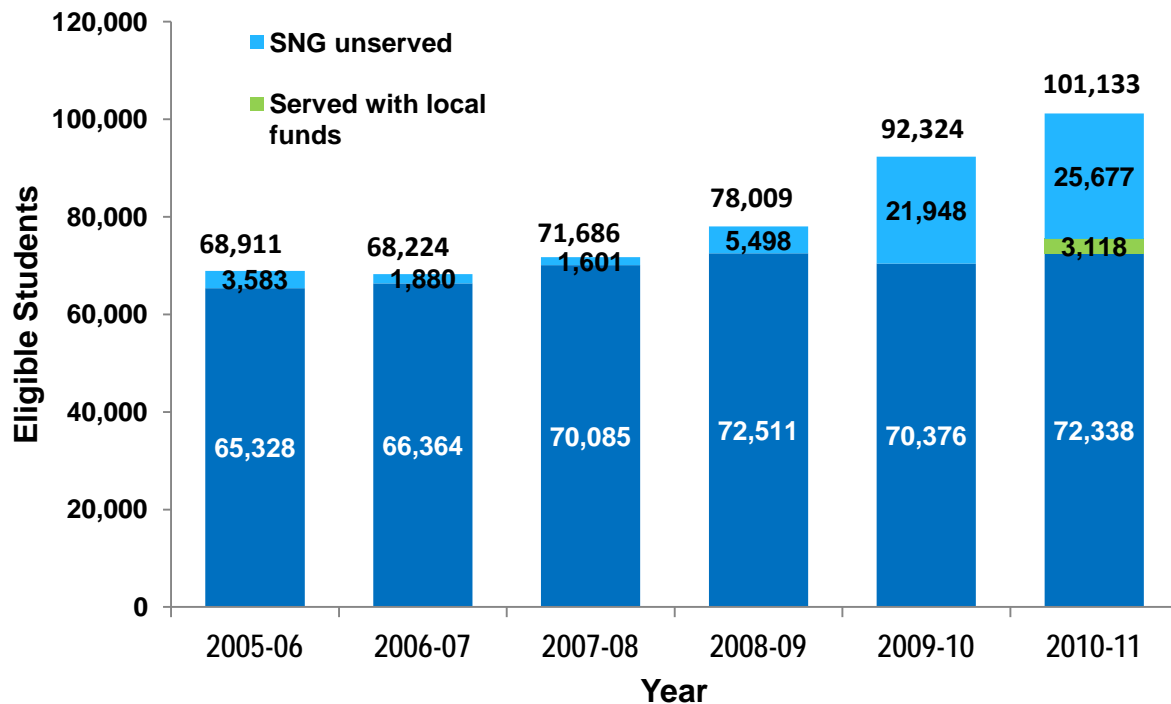
Eligibility for the State Need Grant (SNG), the state's largest financial aid program, continued to increase for the 2010-11 academic year – reaching the highest demand in program history. More than 101,000 students were eligible for SNG in 2010-11, which is 10 percent higher than the previous year, and 30 percent higher than 2008-09 when 78,000 students were eligible.

About 72,000 students received the grant in 2010-11, which increased by more than 2,000 students over the prior year. A shift in eligible students to the community and technical colleges, where awards are lower, enabled more students to be served. However, nearly 29,000 students enrolled and were eligible for the grant but did not receive it due to insufficient funds in 2010-11.

The amount of unserved students was just under 26,000 (this does not include just over 3,000 students attending public institutions whose SNG amount was covered by local funds due to the mid-year funding reduction of \$25.38 million were served). This is still a four-fold increase from two years prior and nearly 14 times greater than the number of unserved students in 2007-08. Based on fall 2011 reporting, the trend of unserved students is expected to continue in 2011-12.

Analysis of FAFSA and other data indicate unserved students have significant differences from served students. The majority of unserved students are in the lowest income category (81 percent had incomes below 50 percent of the state median). The unserved start attendance later in the year and attend fewer terms, receive less grant aid, and borrow more. The unserved are slightly more likely to attend two-year colleges (69 percent).

**Chart 3**  
**Eligible SNG Students over Time**





## GROWTH IN APPLICATIONS

The number of students completing the Free Application for Federal Student Aid (FAFSA) has increased significantly during the economic down turn. Total applications received for 2010-11 were 494,000 — a 61 percent increase from 2007-08. FAFSA applications had been basically flat from 2003 to 2007. The 2011-12 applications have shown a 6 percent increase over the previous year as of December. However, that follows a 22 percent increase from 2009-10, and a 51 percent increase from 2008-09 at the same point in time.

## STUDENT LOAN TRENDS

Despite the availability of other forms of financial aid, many low- and middle-income students need to borrow to help offset the rising costs. Student borrowing is increasing at all income levels as described below.

## TYPES OF STUDENT LOANS

Federal loans offer lower interest rates, favorable repayment terms, and annual loan caps by year-in school. The programs require both entrance and exit counseling for students to understand their rights and responsibilities.

The majority of borrowing is through the federal **Direct Stafford** student loan program. Nearly all state aid participating campuses offer federal direct student loans with the exception of several community colleges. Students with financial need may borrow subsidized loans for which no interest accrues while the student is enrolled. The interest rate is currently 3.4 percent. All students may borrow unsubsidized **Stafford** loans, which accrue interest immediately with an interest rate of 6.8 percent.

Another federal loan program is **Perkins**, which is a limited appropriation to participating campuses — the interest rate is 5 percent. The federal **PLUS** loan is offered for parents and graduate students with a 7.9 percent interest rate that is not subsidized.

**Private loans** allow students who need to borrow more the opportunity to do so; however, typically at much higher interest rates and with less flexible repayment terms. As a result of the decline in the credit market, private loans have been less broadly available to students and there has been a decrease in borrowing of private loans for need-based recipients.

For several years, through 2007-08, private loan borrowing by needy students was essentially constant at about \$43 million per year. Since then, private loan volumes for needy undergraduate students have steadily declined to \$27 million in 2010-11. There is not a solid data source that captures all private loan borrowing for Washington students.

## ANNUAL BORROWING IN 2010-11 FOR RESIDENT UNDERGRADUATE STUDENTS

Table 2 shows the average level of borrowing by resident undergraduates who received need-based financial aid or non-need-based loans in 2010-11. The average loan amount incurred by non-needy students was slightly higher than for need-based recipients (\$9,600 versus \$7,700 respectively). In 2009, institutions began reporting all federal borrowing to the HECB, including borrowing for non-need based aid recipients.

**Table 2**  
**Annual Student Loan Debt 2010-11 Resident Undergraduates**

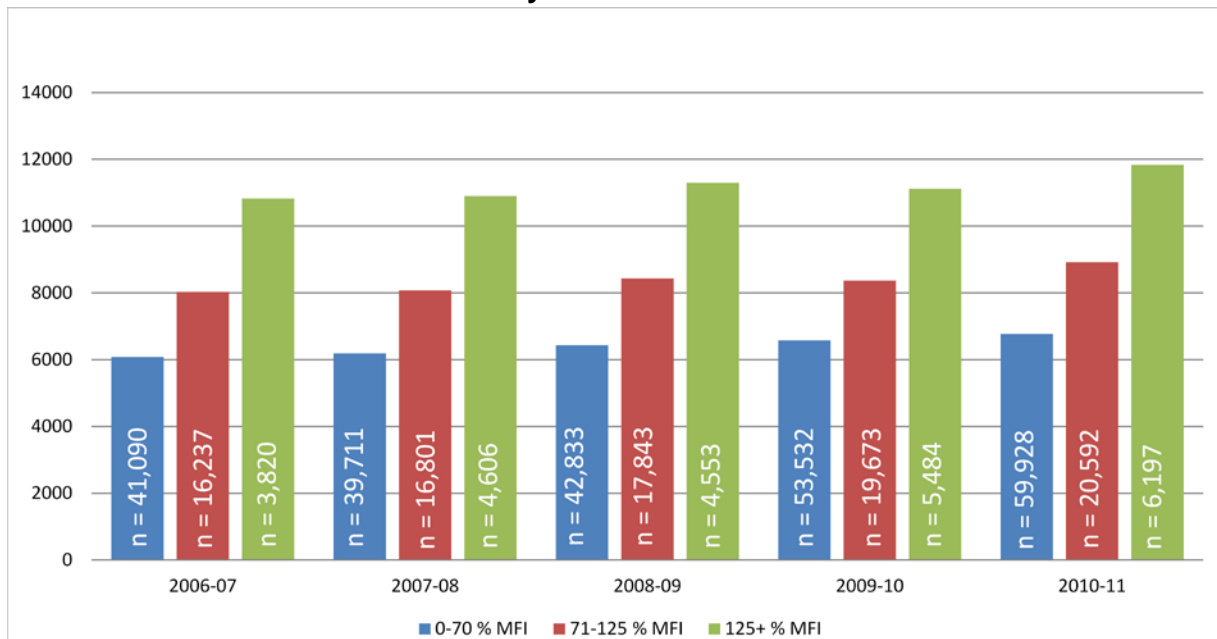
| Sector            | Need-Based Aid Recipients with Loans* | Average Annual Loan | Non Need-Based Loan Recipients* | Average Annual Loan |
|-------------------|---------------------------------------|---------------------|---------------------------------|---------------------|
| Four-Year Public  | 36,930                                | \$8,385             | 7,990                           | \$11,195            |
| Two-Year Public   | 34,115                                | \$5,485             | 3,515                           | \$4,930             |
| Four-Year Private | 10,370                                | \$11,140            | 2,265                           | \$8,295             |
| Private Career    | 6,265                                 | \$9,065             | 350                             | \$9,975             |
| <b>Total</b>      | <b>87,680</b>                         | <b>\$7,630</b>      | <b>14,120</b>                   | <b>\$9,140</b>      |

**BORROWING INCREASING REGARDLESS OF INCOME LEVEL**

Needy students from higher income families who borrow take out higher amounts of loans than their peers, but fewer students borrow at the higher income levels. In addition, the amounts students borrow have been increasing more quickly for students from lower income families.

Average annual loan amounts for the lowest MFI group increased by 11.6 percent while it increased by 9 and 6 percent for the middle and highest income groups, respectively (Chart 4). However, federal loans have annual limits, which means students who are already borrowing at the upper limits (as the higher income are) have less room to continue to increase borrowing within the federal programs.

**Chart 4**  
**Annual Loan Award by Income Level 2006-07 to 2010-11**



**GRADUATE STUDENT BORROWING**

The majority of graduate students receiving need-based aid are borrowing because graduate students are not eligible for most federal and state grants. However, 11 percent of the total aid needy graduate students received was in the form of institutional aid and scholarships — often as fellowships.

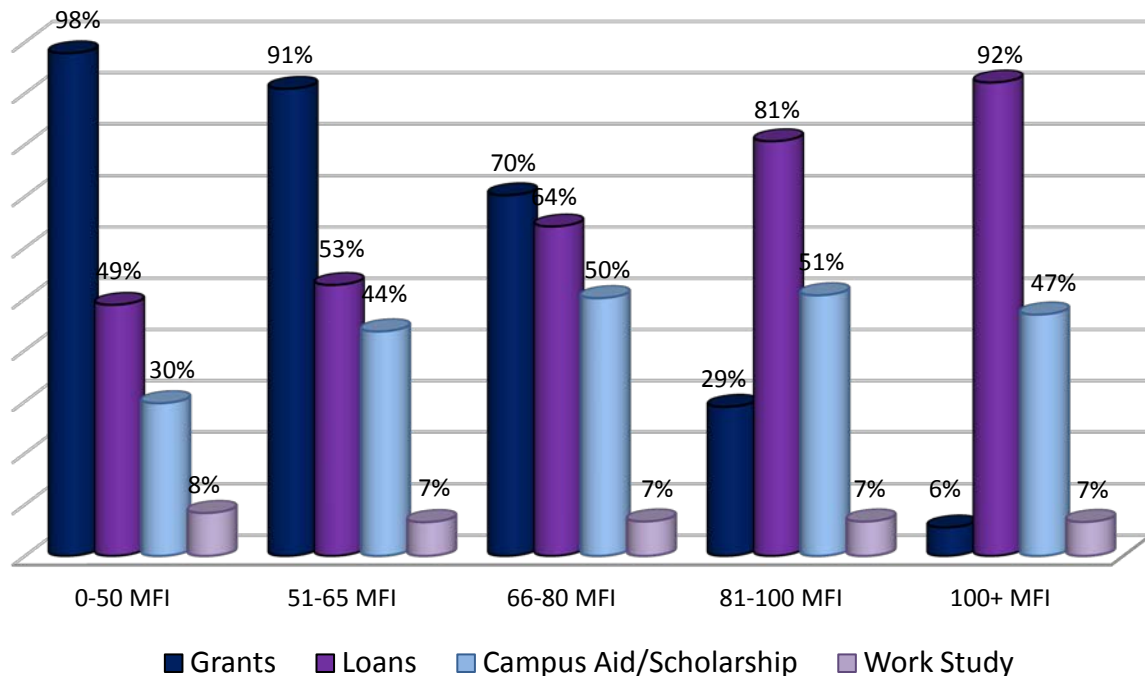
Nearly 12,300 graduate students borrowed a federal student loan for an average of \$21,700 in 2010-11. In addition, more than 1,000 graduate students who were not eligible for need-based loans borrowed unsubsidized federal loans at an average of \$16,200.

**TYPE OF AID RECEIVED BY INCOME**

As income rises among need-based recipients, the percent of students receiving grants dramatically decreases while the percentage borrowing increases (see Chart 5). The percentage who participate in work-study programs is relatively constant; however, institutional and private aid is provided to students “in the middle” who are less likely to receive grant aid.

In addition, the average amounts change by income category. Loan awards increase as income rises, while federal and state grant awards decrease as income rises. However, campus aid and scholarship award amounts also are much larger for middle and upper income students who are less likely to receive grant aid. And with the “return to aid” provisions outlined in HB 1795, campus aid is expected to increase for low and middle income students attending public institutions.

**Chart 5  
Type of Award by Income 2010-11**



### III. STATE NEED GRANT PROGRAM OVERVIEW

The State Need Grant (SNG) is Washington's largest financial aid program assisting low-income resident undergraduate students with the cost of college. State Need Grant is a broadly accessible program serving a diverse group of students, including young students just graduating from high school, returning adult students, recently unemployed, and students with children.

The State Need Grant program forms the base of support for several early outreach initiatives offering an early promise of the grant including the College Bound Scholarship offered to middle school students, and the Opportunity Internship program for high school students in technical career pathways.

SNG funds are distributed to campuses based on a "fair share" formula that ensures that funds will follow students to where the demand is greatest. This ensures that students have equitable access to funds no matter which participating institution or sector that they choose to attend. Funds can be shifted within the year based on where the demand is. The institutions identify eligible students and package SNG awards.

#### BUDGET SUMMARY

The HECB had \$205 million available for 2010-11 after a mid-year reduction. The funding included about \$1.5 million in federal matching funds which has been eliminated beginning in 2011-12. This level of funding allowed the program to serve more than 72,000 students attending 68 institutions. The total funding is more than \$266 million in 2011-12, and is expected to provide about the same service level.

In 2010-11, SNG experienced a mid-year budget rescission of \$25.385 million. The public institutions were directed to provide local institutional funding to replace the lost state funding so that students were not impacted. The HECB worked with the SBCTC and the public campuses to manage the reduction either through the SNG award payment or campus systems to reconcile eligible students at year-end.

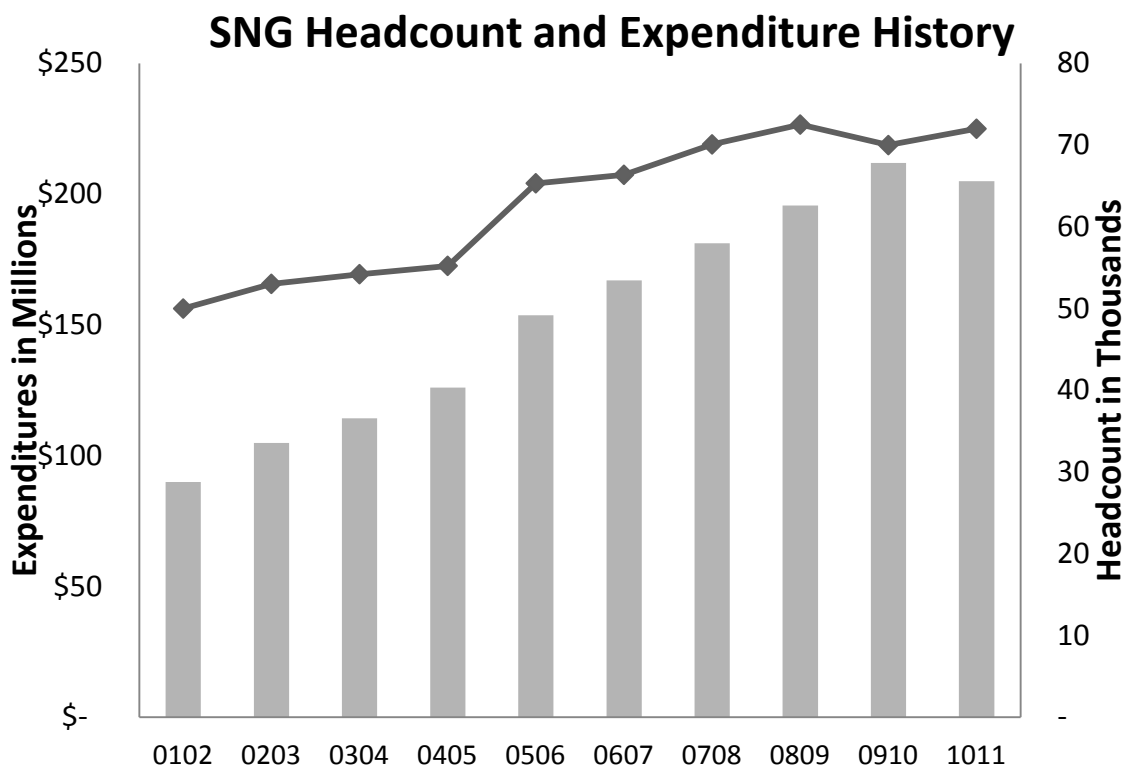
**Table 3**  
**State Need Grant Budget Summary**

|   | 2010-11              | 2011-12              |
|---|----------------------|----------------------|
| Initial State Appropriation (without less-than-half-time funding) | \$227,197,101        | \$266,003,183        |
| Mid-Year Rescission   | \$25,385,000         | n/a                  |
| Federal LEAP/SLEAP Funds  | \$1,737,535          | \$0                  |
| Carry Forward/Transfers   | \$1,494,097          | \$295,293            |
| <b>SNG Available for Grants</b>                                   | <b>\$205,043,733</b> | <b>\$266,298,466</b> |
| Carry Forward SNG   | \$295,293            | \$0 (est.)           |
| Students Served (headcount)                                       | 72,338               | 70,000 (est.)        |
| Unserved eligible students (FTE) excluding less-than-half-time    | 26,000               | Over 25,000 (est.)   |

**SNG FUNDING OVER TIME**

The State Need Grant program has had historical funding increases due to the Legislature’s long-standing commitment to hold the lowest income students harmless from tuition increases. There have been periodic adjustments to the income cutoff for eligibility and funding levels before the great recession attempted to provide sufficient resources to serve the total population of eligible students.

**Chart 6**  
**State Need Grant Historical Expenditures and served students**  
**FY 2001-02 through FY 2010-11**



**DEMAND FOR SNG**

As discussed earlier in this report, a record 26,000 State Need Grant-eligible students were not served in 2010-11. This unprecedented demand for SNG began in 2009, and is a continuing trend according to fall 2011 reports. About 60 percent of these unserved students attended community or technical colleges.

**SNG AWARD AMOUNTS**

The income cutoff for State Need Grant is 70 percent of Median Family Income (MFI). In 2009, the Legislature created five income categories to prorate the award by five income categories (see Table 4). Students in the highest eligible income category receive a maximum of 50 percent of a full award. Awards are further prorated for part-time students (75 percent for students in 9 to 11 credits, 50 percent for students in 6 to 8 credits, and 25 percent for students in 3 to 5 credits).

**Table 4**  
**SNG Award Prorations by MFI, 2010-11**

| MFI Ranges       | 0-50% | 51-55% | 56-60% | 61-65% | 66-70% |
|------------------|-------|--------|--------|--------|--------|
| Percent of Award | 100%  | 70%    | 65%    | 60%    | 50%    |

#### AWARDS AS PERCENTAGE OF TUITION

SNG award amounts vary by sector and as a percentage of tuition, as displayed in Table 5. Last year, the awards ranged from 91 percent of tuition at the public research institutions to 98 percent of tuition at the community and technical colleges. The Governor and Legislature provided sufficient funding to raise grant amounts to cover all public sector tuition increases on a dollar-for-dollar basis. However, there has been a gap between award amounts and the total tuition and fee costs.

**Table 5**  
**State Need Grant Awards as a Percent of Public Tuition by Sector, 2010-11 & 2011-12**

| Sector                         | Max. SNG Award<br>10-11 | SNG Award as<br>% of Tuition<br>10-11 <sup>2</sup> | Max. SNG Award<br>11-12 | SNG Award as<br>% of Tuition<br>11-12 <sup>2</sup> |
|--------------------------------|-------------------------|--|-------------------------|--|
| Research                       | \$7,717                 | 90.4%  | \$9,280                 | 93.9%  |
| Comprehensive                  | \$5,575                 | 91.2%  | \$6,446-\$6,751         | 95.3%  |
| Community & Technical Colleges | \$2,682 <sup>1</sup>    | 97% <sup>1</sup>                                   | \$3,256 <sup>1</sup>    | 96% <sup>1</sup>                                   |

<sup>1</sup>The CTC sector has for the past several years been implementing a credit-by-credit tuition policy. Therefore there is a different tuition and SNG award for each credit level between 12 and 15 credits; the average SNG award covers 96 percent of the average tuition between 12 and 15 credits.

<sup>2</sup>The SNG awards have been lowered to accommodate for a "Pell offset" that considered federal increases. The further expands the gap to tuition covered by SNG.

#### STATE NEED GRANT OPPORTUNITY INTERNSHIP

Opportunity Internship Graduates are low-income students who successfully complete an approved high school internship program. Based on 2009 legislation, these students became eligible for up to one year of the State Need Grant. If they remain income eligible, they can continue to receive the grant beyond their first year of higher education. The first cohort of Opportunity Internship Graduates completed their first year of higher education in 2010-11. There were 46 Opportunity Internship Graduates who received State Need Grant and there were 13 SNG eligible but unserved Opportunity Internship Graduates.

#### SNG STUDENT PROFILE

About 87 percent of SNG recipients enrolled in fall were enrolled full time. About 63 percent were considered to be financially independent from their parents, based on federal criteria. In addition, 49 percent were over the age of 23. About one-third of SNG recipients have children.



**Table 6**  
**State Need Grant Student Profile, 2010-11**

| Age Categories        |          | Students with Families                    |     |
|-----------------------|----------|---|-----|
| < 21                  | 35%      | Married                                   | 4%  |
| 21 - 23               | 16%      | Married with Children                     | 12% |
| > = 24                | 49%      | Single Parents                            | 21% |
| Median age =          | 23       | Race/Ethnicity                            |     |
| Gender                |          | American Indian                           | 3%  |
| Female                | 59%      | Black                                     | 8%  |
| Male                  | 41%      | Other/Unknown                             | 9%  |
| Dependent Students    |          | Hispanic                                  | 11% |
| % Dependent           | 37%      | Asian/Pacific Islander                    | 13% |
| Average Parent Income | \$28,570 | White                                     | 57% |
| Independent Students  |          | <i>Source: 2010-11 Unit Record Report</i> |     |
| % Independent         | 63%      |   |     |
| Average Income        | \$14,295 |   |     |

## SECTOR AND INSTITUTION SNG SUMMARIES

Tables 7 through 10 reflect dollars expended in 2010-11 and dollars committed to each institution and sector for 2011-12.

**Table 7**  
**State Need Grant by Sector, 2010-11 Expenditures & 2011-12 Reserves**

| Sector                         | 2010-11              |               | 2011-12              |
|--------------------------------|----------------------|---------------|----------------------|
|                                | Amount Expended      | Served FTEs*  | Amount Reserved      |
| Research                       | \$66,062,487         | 10,064        | \$88,215,003         |
| Comprehensive                  | \$38,993,726         | 7,685         | \$46,234,566         |
| Private Four-Year              | \$24,567,464         | 3,602         | \$26,540,382         |
| Community & Technical Colleges | \$69,426,326         | 29,042        | \$99,591,735         |
| Private Career                 | \$5,371,771          | 2,237         | \$4,834,139          |
| <b>Total</b>                   | <b>\$204,421,774</b> | <b>52,630</b> | <b>\$265,415,824</b> |

\*Full-time equivalent enrollment, not headcount.

Source: 2010-11 Portal General Ledger and 2010-11 SNG Final Interim Report. Excludes local institutional expenditures and less than half time funds.

**Table 8**  
**State Need Grant in Four-Year Institutions**  
**2010-11 Expenditures & 2011-12 Reserves**

|                               | 2010-11         |              | 2011-12         |
|-------------------------------|-----------------|--------------|-----------------|
|                               | Amount Expended | Served FTEs* | Amount Reserved |
| <b>Public Four-Year</b>       |                 |              |                 |
| University of Washington      | \$40,603,978    | 6368         | \$55,139,505    |
| Washington State University   | \$25,458,509    | 3696         | \$33,075,498    |
| Central Washington University | \$11,641,290    | 2341         | \$13,082,854    |
| Eastern Washington University | \$11,783,295    | 2320         | \$13,761,976    |
| The Evergreen State College   | \$6,053,419     | 1190         | \$7,980,921     |
| Western Washington University | \$9,515,722     | 1833         | \$11,408,815    |
| <b>Private Four-Year</b>      |                 |              |                 |
| Antioch University            | \$351,733       | 51           | \$383,899       |
| Bastyr University             | \$316,454       | 43           | \$339,852       |
| Cornish College of the Arts   | \$943,537       | 127          | \$1,049,110     |
| DigiPen                       | \$387,513       | 57           | \$301,689       |
| Gonzaga University            | \$2,544,501     | 373          | \$2,515,013     |
| Heritage University           | \$3,073,566     | 429          | \$3,467,461     |
| Northwest College of Art      | \$139,723       | 21           | \$84,782        |
| Northwest University          | \$1,064,475     | 158          | \$1,089,037     |
| Pacific Lutheran University   | \$3,963,927     | 660          | \$3,837,273     |
| Saint Martin's University     | \$1,635,851     | 237          | \$1,992,323     |
| Seattle Pacific University    | \$2,676,234     | 376          | \$3,161,498     |
| Seattle University            | \$2,965,040     | 412          | \$3,605,640     |
| University of Puget Sound     | \$884,199       | 115          | \$785,470       |
| Walla Walla University        | \$789,648       | 114          | \$784,602       |
| Whitman College               | \$444,495       | 64           | \$487,742       |
| Whitworth College             | \$2,386,568     | 365          | \$2,654,990     |

\*Full-time equivalent enrollment, not actual headcount

Source: 2009-10 Portal General Ledger and 2009-10 SNG Final Interim Report. Excludes local institutional expenditures and less than half time funds.

**Table 9**  
**State Need Grant in Community and Technical Colleges**  
**2010-11 Expenditures & 2011-12 Reserves**

| Community & Technical Colleges      | 2010-11         |              | 2011-12         |
|-------------------------------------|-----------------|--------------|-----------------|
|                                     | Amount Expended | Served FTEs* | Amount Reserved |
| Bellevue Community College          | \$1,812,163     | 748          | \$2,759,354     |
| Big Bend Community College          | \$1,460,831     | 604          | \$1,975,614     |
| Cascadia Community College          | \$469,796       | 211          | \$845,048       |
| Centralia College                   | \$1,440,536     | 619          | \$1,985,959     |
| Clark College                       | \$4,469,929     | 1806         | \$7,487,383     |
| Columbia Basin College              | \$2,401,461     | 1014         | \$2,870,204     |
| Edmonds Community College           | \$2,718,655     | 1138         | \$3,389,180     |
| Everett Community College           | \$2,077,276     | 896          | \$2,559,881     |
| Grays Harbor College                | \$1,183,504     | 499          | \$1,940,021     |
| Green River Community College       | \$2,297,709     | 1048         | \$3,323,146     |
| Highline Community College          | \$1,949,237     | 799          | \$3,903,351     |
| Lower Columbia College              | \$2,420,044     | 1028         | \$3,114,352     |
| North Seattle Community College     | \$1,127,351     | 468          | \$1,604,328     |
| Northwest Indian College            | \$237,068       | 90           | \$207,722       |
| Olympic College                     | \$1,795,018     | 747          | \$3,139,893     |
| Peninsula College                   | \$1,070,010     | 433          | \$1,515,509     |
| Pierce College                      | \$2,403,355     | 988          | \$3,979,239     |
| Seattle Central Community College   | \$2,631,887     | 1099         | \$3,312,038     |
| Shoreline Community College         | \$1,612,266     | 690          | \$2,269,340     |
| Skagit Valley College               | \$1,661,999     | 800          | \$2,521,655     |
| South Puget Sound Community College | \$2,053,359     | 911          | \$2,928,304     |
| South Seattle Community College     | \$1,176,908     | 485          | \$1,620,813     |
| Spokane Community College           | \$6,247,801     | 2532         | \$6,714,892     |
| Spokane Falls Community College     | \$4,096,477     | 1645         | \$5,086,468     |
| Tacoma Community College            | \$3,365,182     | 1396         | \$4,735,856     |
| Walla Walla Community College       | \$1,535,154     | 658          | \$2,007,109     |
| Wenatchee Valley College            | \$2,321,010     | 961          | \$2,676,622     |
| Whatcom Community College           | \$1,542,718     | 645          | \$2,670,896     |
| Yakima Valley College               | \$2,966,356     | 1259         | \$4,107,906     |
| Bates Technical College             | \$794,706       | 313          | \$939,676       |
| Bellingham Technical College        | \$1,313,966     | 558          | \$2,444,151     |
| Clover Park Technical College       | \$2,427,424     | 968          | \$3,975,724     |
| Lake Washington Technical College   | \$1,249,939     | 521          | \$2,127,002     |
| Renton Technical College            | \$802,960       | 352          | \$1,458,691     |
| Seattle Vocational Institute        | \$292,260       | 113          | \$394,409       |

\*Full-time equivalent enrollment, not actual headcount

Source: 2010-11 Portal General Ledger and 2010-11 SNG Final Interim Report. Excludes local institutional expenditures and less than half time funds.

**Table 10**  
**State Need Grant in Private Career Institutions**  
**2010-11 Expenditures & 2011-12 Reserves**

| Private Career School                   | 2010-11         |              | 2011-12         |
|---|-----------------|--------------|-----------------|
|   | Amount Expended | Served FTEs* | Amount Reserved |
| Art Institute of Seattle                | \$1,200,623     | 508          | \$936,899       |
| Divers Institute of Technology          | \$44,630        | 17           | \$27,397        |
| Everest College                         | \$580,005       | 230          | \$326,573       |
| Gene Juarez Academy                     | \$662,661       | 271          | \$ 493,392      |
| Glen Dow Academy                        | \$184,388       | 76           | \$150,708       |
| Interface Computer School               | \$212,752       | 85           | \$159,464       |
| International Air & Hospitality Academy | \$257,030       | 122          | \$206,447       |
| ITT Technical Institute-Seattle         | \$262,028       | 104          | \$0             |
| ITT Technical Institute-Spokane         | \$1,180,436     | 477          | \$1,274,411     |
| Lucas Marc Academy (formerly Clares)    | \$123,922       | 47           | \$129,257       |
| Perry Technical Institute               | \$663,294       | 301          | \$1,129,590     |

\*Full-time equivalent enrollment, not actual headcount

Source: 2010-11 Portal General Ledger and 2010-11 SNG Final Interim Report. Excludes local institutional expenditures and less than half time funds.

#### IV. STATE WORK STUDY PROGRAM OVERVIEW

Washington's State Work Study (SWS) program, the second oldest of its kind in the nation, enabled more than 7,500 students to earn over \$20.5 million in 2010-11. State Work Study is designed to assist low and middle income students with subsidized work opportunities, and complements grant and scholarship aid.

The majority of SWS students are from families with low incomes who qualify for the State Need Grant or federal Pell grants. However, SWS also is available students with slightly higher family incomes who have need-based eligibility. Additionally, SWS is the only state need-based aid program serving graduate and professional students. In 2010-11, about 10 percent of participating students were graduate or professional students and they earned roughly 14 percent of total gross SWS earnings.

SWS work experiences often relate directly to academic or career interests, providing students the opportunity to help pay for college while developing real-world job skills for future careers. SWS Special Projects facilitate placements in high demand fields, math and science classrooms, and community service organizations.

The HECB assigns institutional SWS allocations based on student needs and institutional capacity to develop positions. Individual award amounts are then determined by the institution, based on each student's demonstrated financial need and packaging policies.

Participating employers pay the students and are reimbursed for a portion of these earnings, typically between 40 and 70 percent depending on employer type. This year, 55 institutions and more than 1,500 employers contracted to participate in the SWS program.

#### RECENT POLICY CHANGES

Accompanying a fiscal year 2010-11 budget reduction to SWS of more than 30 percent, the Legislature implemented policy directives designed to offset the reductions' impact to needy resident students. These included removing non-resident eligibility and a directive to increase employer match rate requirements.

As a result, for-profit SWS employer matches were increased from 35 to 50 percent and non-profit employers, including all public institutions of higher education, increased from 20 to 30 percent. These match rates led to \$6 million in employer contributions — providing a 40 percent enhancement to appropriated state dollars.

More than 8,900 students earned SWS dollars in 2009-10, while only 7,600 earned award money in 2010-11, a 15 percent decrease. However, compared to the 30 percent reduction in state appropriations to SWS in 2010-11, the increased match rates appear to have offset roughly half of the student service impact that would have been otherwise been expected.

Active employer participation declined by approximately 25 percent from the 2009-10 academic year. Off-campus SWS activity also declined from historical averages. Typically, about 40 percent of SWS dollars are earned off-campus, yet that portion dropped to roughly 35 percent in 2010-11.

These changes can be attributed to a variety of inter-related factors including:

- Fewer overall program dollars resulting in less SWS participants for employers to hire
- Increased match rates/costs for employers, and especially at for-profit businesses
- Non-resident limitations at institutions with historically high levels of off-campus placements and large non-resident enrollments
- Reduced institutional resources devoted to job location and development

Additional budget reductions occurred for fiscal year 2011-12. The annual appropriation is \$7.4 million — a 66 percent reduction from funding levels two years ago. Employer match rates were required to be increased again and the HECB implemented several other policies to maximize the number of students who can be served, including the suspension of Special Projects funding and suspension of full-time SWS options during school breaks.

It is too early to fully assess the likely impacts to SWS in 2011-12; however, initial estimates indicate student service levels of about 3,500 resident students.

## SWS BUDGET SUMMARY

Table 11 shows that in 2010-11, about 7,600 students earned nearly \$20.6 million through State Work Study. The employer match represented about \$6.3 million of this total. The remainder came from state appropriations and a small amount of federal matching dollars. The average earnings were about \$2,700 per student. With a 2011-12 appropriation of \$7.8 million for SWS operations, the HECB expects to serve an estimated 3,500 students.

**Table 11**  
**SWS Budget Summary, 2010-11**

| <b>Earnings</b>                           |                     |
|---|---------------------|
| State Portion of Wages                    | \$14,259,224        |
| Employer Match                            | \$6,325,024         |
| <b>Total Earnings</b>                     | <b>\$20,584,248</b> |
| <b>Funding Sources</b>                    |                     |
| SWS Appropriation                         | \$16,107,605        |
| SFA Transfer                              | -\$1,494,097        |
| Federal Funds                             | \$349,870           |
| Prior Year Carry Forward                  | \$1,157,123         |
| Agency Savings                            | \$18,000            |
|   | <b>\$16,138,501</b> |
| <b>Expenditures</b>                       |                     |
| State Portion of Wages                    | \$14,259,224        |
| SWS Special Project Administrative Grants | \$104,699           |
| Admin. Allowance to Public Institutions   | \$314,099           |
| HECB Administration                       | \$225,506           |
| <b>Total Expenditures</b>                 | <b>\$14,903,528</b> |
| Carry Forward to 2011-12                  | \$1,234,972         |



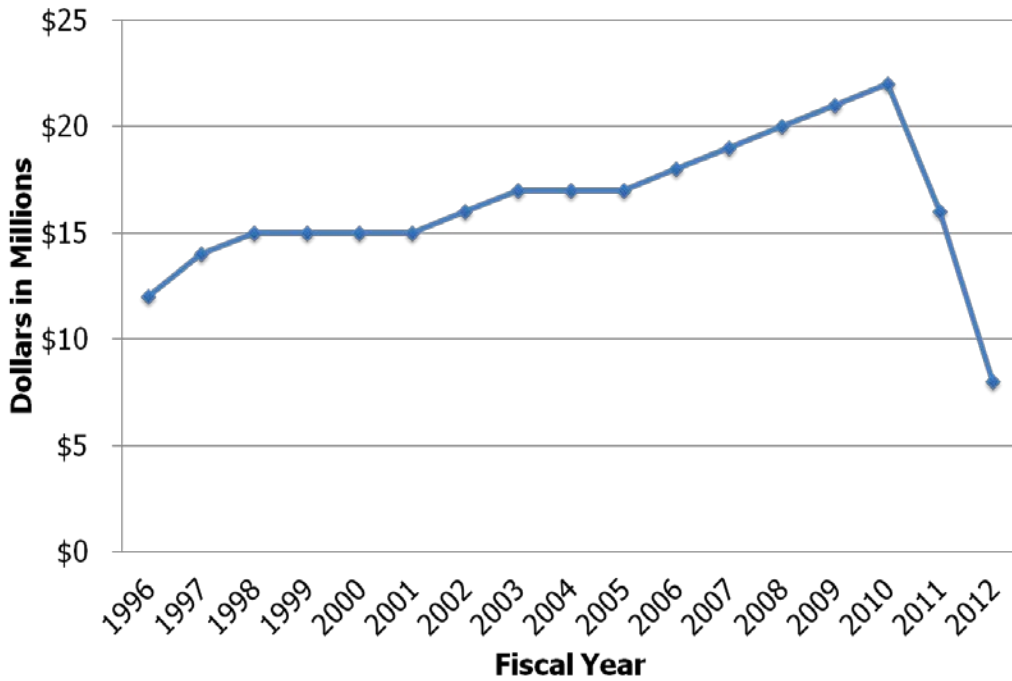
Historically, the vast majority of SWS appropriated funds have been fully expended. However, SWS operations are still adjusting to the unprecedented level of change the program has been experiencing since late 2009-10. In response to deep state funding cuts to SWS in both 2010-11 and 2011-12, many SWS institutions altered their normal awarding practices, including eliminating summer SWS awards. This early action in both years resulted in less than optimal expenditure levels in both 2009-10 and 2010-11.

Despite the challenges outlined above, staff members are working to increase institutional/student demand for SWS dollars and manage the overall program adjustment to significant recent policy changes. Absent further changes, these efforts should act to stabilize expenditure patterns going forward.

**SWS HISTORICAL APPROPRIATIONS**

The Legislature has historically provided stable funding to State Work Study and then has provided an increase to align with cost and student enrollment increases. The program had received increases over a period of five years until the significant reductions began in fiscal year 2010, as displayed in Chart 7.

**Chart 7  
State Work Study Historical Appropriations  
FY 1995-96 through FY 2011-12**



**RATIO OF NEEDY STUDENTS SERVED**

As college costs increase and the number of needy students grows, combined with recent appropriation reductions, the proportion of needy students being served by the program has declined. One in 18 needy students earned money through State Work Study in 2010-11 — compared to one in 12 ten years previously — and one in 34 projected for 2011-12. In addition, the proportion of college costs offset by SWS earnings has decreased over time, moving from 15 percent in 2001-02, to 12 percent in 2010-11.

## SECTOR AND INSTITUTION BREAKDOWN

Tables 12 and 13 reflect the 2010-11 earnings and number of SWS students by sector and by institution.

**Table 12**  
**Gross Earnings of State Work Study Students, by Sector, 2010-11**

| Sector                         | Amount Earned       | # Students*  | Avg. Earnings  |
|--------------------------------|---------------------|--------------|----------------|
| Public Four-Year               | \$6,811,545         | 2,712        | \$2,511        |
| Private Four-Year              | \$5,887,926         | 1,968        | \$2,991        |
| Community & Technical Colleges | \$7,884,777         | 2,874        | \$2,743        |
| <b>Total</b>                   | <b>\$20,584,248</b> | <b>7,546</b> | <b>\$2,727</b> |

\* Students who transfer between sectors are counted in each sector while the total is an unduplicated count.

Source: 2010-11 Unit Record Report

**Table 13**  
**Gross Earnings of State Work Study Students,  
by Institution, 2010-11**

| Sector<br>Institution         | Amount Earned | # of<br>Students |
|-------------------------------|---------------|------------------|
| <b>Research</b>               |               |                  |
| University of Washington      | \$1,603,886   | 456              |
| Washington State University   | \$1,372,752   | 885              |
| <b>Comprehensive</b>          |               |                  |
| Central Washington University | \$1,256,932   | 391              |
| Eastern Washington University | \$1,127,557   | 459              |
| The Evergreen State College   | \$401,049     | 146              |
| Western Washington University | \$1,049,369   | 375              |
| <b>Private Four-Year</b>      |               |                  |
| Antioch University            | \$8,523       | 2                |
| Bastyr University             | \$123,768     | 127              |
| Cornish College of the Arts   | \$323,705     | 125              |
| Gonzaga University            | \$147,875     | 68               |
| Heritage University           | \$1,298,614   | 346              |
| Northwest University          | \$137,508     | 35               |
| Pacific Lutheran University   | \$608,044     | 193              |
| Saint Martin's University     | \$81,103      | 26               |
| Seattle Pacific University    | \$558,746     | 217              |
| Seattle University            | \$1,302,254   | 274              |
| University of Puget Sound     | \$687,448     | 214              |
| Walla Walla University        | \$166,051     | 72               |
| Whitman College               | \$171,369     | 150              |
| Whitworth University          | \$272,918     | 120              |

**Table 13 (Cont.)**  
**Gross Earnings of State Work Study Students,**  
**by Institution, 2010-11**

| Sector<br>Institution                     | Amount<br>Earned | # of<br>Students |
|---|------------------|------------------|
| <b>Community &amp; Technical Colleges</b> |                  |                  |
| Bellevue Community College                | \$227,330        | 125              |
| Big Bend Community College                | \$160,850        | 72               |
| Cascadia Community College                | \$64,962         | 25               |
| Centralia College                         | \$108,196        | 31               |
| Clark College                             | \$563,267        | 175              |
| Columbia Basin College                    | \$268,617        | 68               |
| Edmonds Community College                 | \$156,537        | 43               |
| Everett Community College                 | \$334,147        | 149              |
| Grays Harbor College                      | \$109,758        | 44               |
| Green River Community College             | \$0              | 0                |
| Highline Community College                | \$246,895        | 107              |
| Lower Columbia College                    | \$524,927        | 214              |
| North Seattle Community College           | \$281,638        | 115              |
| Northwest Indian College                  | \$20,655         | 8                |
| Olympic College                           | \$98,435         | 26               |
| Peninsula College                         | \$80,797         | 28               |
| Pierce College                            | \$238,566        | 71               |
| Seattle Central Community College         | \$181,144        | 54               |
| Shoreline Community College               | \$221,920        | 84               |
| Skagit Valley College                     | \$118,298        | 42               |
| South Puget Sound Community College       | \$80,772         | 28               |
| South Seattle Community College           | \$63,941         | 24               |
| Spokane Community College                 | \$618,746        | 223              |
| Spokane Falls Community College           | \$552,355        | 190              |
| Tacoma Community College                  | \$807,039        | 183              |
| Walla Walla Community College             | \$75,282         | 17               |
| Wenatchee Valley Community College        | \$218,669        | 113              |
| Whatcom Community College                 | \$297,913        | 98               |
| Yakima Valley College                     | \$555,045        | 203              |
| Bates Technical College                   | \$134,251        | 84               |
| Bellingham Technical College              | \$91,925         | 31               |
| Clover Park Technical College             | \$82,955         | 30               |
| Lake Washington Technical College         | \$167,045        | 63               |
| Renton Technical College                  | \$114,098        | 99               |
| Seattle Vocational Institute              | \$17,802         | 9                |

Source: 2010-11 Unit Record Report

## SWS STUDENT PROFILE

State Work Study serves a broad range of students including resident undergraduate and graduate students from low- and middle-income families. About 52 percent of SWS students met the federal definition of an "independent" or nontraditional student in 2010-11, as noted in Table 14. These students had an average family income of \$11,600. This is about \$700 less than the previous year. For dependent students, family income averaged \$42,600 — a reduction of nearly \$2,500 from the previous year.

**Table 14**  
**State Work Study Student Profile, 2010-11**

| Age Categories       |          | Students with Families |     |
|----------------------|----------|------------------------|-----|
| < 21                 | 42%      | Married                | 12% |
| 21 - 23              | 19%      | Married with Children  | 8%  |
| > = 24               | 39%      | Single Parents         | 14% |
| Median age =         | 21       | Race/Ethnicity         |     |
| Gender               |          | American Indian        | 2%  |
| Female               | 65%      | Asian/Pacific Islander | 11% |
| Male                 | 35%      | Black                  | 7%  |
| Dependent Students   |          | Hispanic               | 11% |
| % Dependent          | 48%      | Other/Unknown          | 11% |
| Avg. Parent Income   | \$42,631 | White                  | 59% |
| Independent Students |          |                        |     |
| % Independent        | 52%      |                        |     |
| Average Income       | \$11,644 |                        |     |

Source: 2010-11 Unit Record Report

## SWS EMPLOYERS

For nearly forty years, thousands of Washington employers have partnered with SWS to provide students with employment opportunities that increase future employability, reduce loan burdens, and improve persistence and graduation outcomes. Because the state reimburses employers for a portion of student wages earned, SWS leverages significant additional aid to needy students.

In 2010-11:

- SWS employers contributed more than \$6 million of their own funds in student wages, as well as covering all benefit costs.
- At average earnings of about \$3,000 per student, employer contributions translated into an additional 2,000 needy students served by SWS.
- Employer matching funds delivered more than a 40 percent return on investment for taxpayers.

SWS employers have helped to minimize the impact of funding reductions to needy students through substantially increased matching contributions.

Despite current challenges, most employers continue to report substantial value in SWS participation as evidenced by the following comments received in response to a 2011 survey:

*“We have over ten SWS students currently employed at Seattle Biomedical Research Institute. These students serve in several essential roles in various departments and labs. Many of our graduated SWS employees have transitioned into regular, full-time roles at Seattle BioMed.”*

~ Seattle Biomedical Research Institute

*“On average the United Way of Pierce County employs 10-12 SWS students in our call center. Each year our students connect more than 75,000 people in need with health and human services programs within the community. We have always maintained a lean operating budget and the State Work Study program makes this possible.”*

~ United Way of Pierce County

*“When hiring, work experience is the most valuable asset an applicant can possess. We’ve hired two of our former SWS students and they have been with us for more than seven years now.”*

~ Cascade Family Medical Clinic

*“The Washington Access Fund was established to promote access to technology and economic opportunity for individuals with disabilities throughout Washington state. We could not do what we do without the assistance of SWS students. Non-profits rely upon work study students to help them provide vital community services. There is no “extra” money in our budgets to hire other workers. Without a work study program, we too will be faced with the prospect of cutting back on services.”*

~ Washington Access Fund

*“In just over three years, Green Cupboards, an online retailer of environmentally friendly products, has grown to over 40 employees and is expected to generate over \$6.5 million in revenues this year. We could not have achieved this growth without the SWS Program. SWS enabled Green Cupboards to cost effectively and successfully build and market a website by employing students from Spokane area colleges and universities. Since inception, Green Cupboards has employed a total of 26 SWS students, 14 of which are currently working for the company.”*

~ GreenCupboards.com

*“SWS provides a valuable service to non-profits such as our daycare association. Our area children have been designated at high risk for school failure and this year our program served a population that was 85% below poverty level. The SWS students that work with us are looking at professions that involve working with children and youth. At a time when quality early childhood education is such a concern, SWS provides the opportunity for future educators to experience what it means to be highly engaged in the business of shaping the future in the real world.”*

~ Tacoma Daycare and Preschool Association

*“Spokane Public Schools employs about 80 college students in various positions throughout the district working in many areas including broadcasting, accounting, marketing, community relations, office work, as well as in classrooms assisting teachers. With budget reductions in K-12 education, programs like SWS have become even more valuable.”*

~ Spokane Public Schools

*“After hiring and working with SWS students over the past nine years, I have seen how a significant work experience can change the lives of these young people. Students gain important skills and work experience, boosting their confidence and preparedness to enter the work force after graduation. Providing the opportunity to work, and to make significant contributions in an organization, is a benefit to us all by preparing our young people in ways that a college education in itself is unable to do.”*

~ Agros International

The following are more examples of off-campus SWS employers, by type of business:

| Private For-Profit   | Private Non-Profit  | Public / Federal Employers   |
|--|---|--|
| <ul style="list-style-type: none"> <li>• Array Health Solutions</li> <li>• Getty Images</li> <li>• Law Office of William Harris</li> <li>• Netlink.com</li> <li>• Northwest Hospital and Medical Center</li> <li>• SHKS Architects</li> <li>• State Farm Insurance</li> <li>• Sound Native Plants</li> <li>• Zymogenetics</li> </ul> | <ul style="list-style-type: none"> <li>• American Red Cross</li> <li>• Better Business Bureau</li> <li>• Blue Mountain Humane Society</li> <li>• Boys and Girls Clubs</li> <li>• Camp Fire USA</li> <li>• Fred Hutchinson Cancer Research Center</li> <li>• Salvation Army</li> <li>• Seattle Children’s Theatre</li> <li>• Seattle Institute for Biomedical Clinical Research</li> <li>• World Relief Corporation</li> </ul> | <ul style="list-style-type: none"> <li>• Clark County District Court</li> <li>• City of Wenatchee</li> <li>• Kennewick General Hospital</li> <li>• Lewis County Public Works</li> <li>• School Districts - Seattle, Spokane, Tacoma, Tri-Cities</li> <li>• State Agencies (e.g., Transportation, Fish &amp; Wildlife)</li> <li>• Spokane Public Library</li> <li>• Tacoma Public Utilities</li> <li>• U.S. Forest Service</li> </ul> |

**MATH AND SCIENCE TEACHER PROJECTS**

The State Work Study Math and Science Teachers (MST) program, established during the 2007 Legislative Session, provides SWS-eligible students with teaching experiences in secondary school math and/or science classrooms. As a result of these classroom experiences, participating students are better able to clarify their interest in a teaching career.

In 2010-11, eight institutions operated nine projects across the state, as shown in Table 15. A total of 121 participating students earned nearly than \$251,000 in SWS wages while gaining valuable classroom teaching experience. All SWS Special Projects have been suspended for 2011-12 in order to serve more students within reduced funding.

**Table 15**  
**SWS Math/Science Projects, 2010-11**

| School Name                   | Project Title   |
|-------------------------------|---|
| Central Washington University | Excellence in Science and Mathematics Teaching                    |
| Central Washington University | Kittitas Valley Mentoring Project                                 |
| Clark College                 | Math & Science Teachers Project                                   |
| Eastern Washington University | Mathematics and Science Tutoring Collaborative                    |
| Everett Community College     | Tutor to Teaching in Math & Science                               |
| Lower Columbia College        | TEAMS - Tutors Eager to Assist in Math and Science                |
| Seattle Pacific University    | Seattle Schools Math & Science Teachers Project                   |
| The Evergreen State College   | Millennial Math and Science Teacher Explorers                     |
| Whatcom Community College     | College to Community - Students Teaching Students: Math & Science |

Separate funding for SWS Math and Science Teacher projects was suspended in 2010-11. Despite this reduction, SWS continued to fund projects from general program resources to continue the momentum in this area developed since 2007.



As an example of 2010-11 MST activity, Seattle Pacific University’s “Seattle Schools Math & Science Teachers Project” placed State Work Study students in math and science classrooms in the Seattle school district. SWS students were trained by the SPU Project Director, spent time with their teacher/mentor planning their role in the classroom, and then actively promoted better math and science performance for secondary school students — all while they learned more about what it takes to be a teacher.

## STATE WORK STUDY COMMUNITY SERVICE PROJECTS

For more than a decade, the SWS program has funded colleges to conduct more than a hundred community service projects. Projects address community needs such as literacy advancement, first-generation and ethnic minority outreach, elementary and middle school tutoring, community health and mental health care, drug education and public safety, and environmental improvement.

In 2010-11 about \$293,500 in SWS funds were earned by 123 students working on twelve projects operated by ten institutions as shown in Table 16. Projects focused on community improvements in the areas of health care, early education outreach, community service infrastructure improvement, local business sustainability, and other community needs. As mentioned, of all SWS Special Projects have been suspended for 2011-12 in order to serve more students within reduced funding.

**Table 16**  
**SWS Community Service Projects, 2010-11**

| School Name                     | Project Title  |
|---------------------------------|--|
| Central Washington University   | Strengthening the Connections Among the Community, Students, and Faculty Through Academic Service-Learning |
| Clark College                   | SHARE - Serving the Hungry & Homeless - Educating the Community  |
| Eastern Washington University   | Collaborative Services to Implement Evidence-Based Drop-Out Prevention                                     |
| Eastern Washington University   | Smile Spokane - It All Starts Here   |
| Everett Community College       | EVCC Community Service Work Study Project  |
| Seattle Pacific University      | Washington Initiative for Supported Employment Project   |
| Seattle Pacific University      | Seattle Schools AVID Tutorial Project  |
| Spokane Falls Community College | Volunteers for America Support Project   |
| South Puget Sound Com. College  | The Community Service Immersion Experience   |
| The Evergreen State College     | Evergreen Student Community Action Coordinators  |
| WWU/Campus Compact              | Western Washington University Mentoring Initiative   |
| Whatcom Community College       | Preserving Community Through Neighborhood Connections  |

As an example, Spokane Falls Community College’s “Volunteers for America Support Project” partnered with Volunteers of America of Eastern Washington to provide SWS students with direct service learning work opportunities that linked to classroom learning in a range of positions providing critical services to foster youth, battered women, homeless women and children, and other at-risk youth.

## STATE WORK STUDY HIGH EMPLOYER DEMAND PROJECTS

The 2009 Legislature established a new SWS placement priority for high employer demand positions<sup>2</sup>. In order to assist institutions in growing the number of placements meeting this priority, institutions were offered the opportunity to apply for additional SWS wage and administrative support funds to implement projects focused on developing and placing SWS students in high employer demand occupations.

In 2010-11, about \$208,000 in SWS funds were earned by 97 students working on seven projects operated by five institutions as shown in Table 17. Projects focused on community improvements in the areas of health care, early education outreach, community service infrastructure improvement, local business sustainability, and other community needs. As mentioned, of all SWS Special Projects have been suspended for 2011-12 in order to serve more students within reduced funding.

**Table 17**  
**SWS High Employer Demand Projects, 2010-11**

| School                        | Project Title   |
|-------------------------------|---|
| Central Washington University | Alternative Energy Systems and Technology                   |
| Eastern Washington University | Field Based Experiences for School Psychologists            |
| Eastern Washington University | Fast Track Dental Hygiene                                   |
| Eastern Washington University | Community Dental Hygiene Assistant                          |
| Everett Community College     | High Demand Health Occupations                              |
| Lower Columbia College        | Information Technology Infrastructure Project               |
| The Evergreen State College   | Linking Theory & Practice Through High-Employer Demand Jobs |

As an example, Central Washington University's "Alternative Energy Systems and Technology" project partnered with city and state organizations to provide SWS students with the opportunity to develop practical work skills in this high employer demand field. SWS students expanded their understanding of the past, current, and future landscape of alternative energy policy, production, and distribution as they focused on direct field experience, grant writing, and engagement with programs promoting homeowner and business energy efficiency improvements.

<sup>2</sup> The Local Area Demand/Decline website used to determine high demand fields (maintained by Employment Security Department and local Workforce Development Councils) at [www.wilma.org/wdclists/](http://www.wilma.org/wdclists/).

## V. COLLEGE ACCESS PROGRAMS

The HECB manages a variety of college access programs, in collaboration with many stakeholders, to provide early information and support to students in middle school and high school. Each is described in this chapter.

### COLLEGE BOUND SCHOLARSHIP BRIEF

Now in its fifth year, the College Bound Scholarship program provides financial assistance to low-income students who want to achieve the dream of a college education. Students who meet income requirements for the free and reduced price lunch program may apply during their seventh or eighth grade year.



The application includes a pledge to graduate from high school with a minimum 2.0 cumulative GPA, be a good citizen in school and the community and not commit a felony, and apply for financial aid by submitting the Free Application for Federal Student Aid (FAFSA) in their senior year of high school.

For students who fulfill the pledge, meet the income eligibility requirements as determined by the FAFSA, have remaining need, and enroll in an eligible institution, the scholarship will combine with State Need Grant to cover the cost of tuition and fees at the rate of public institutions plus \$500 for books.

The Legislature allocated \$7.4 million in 2007, which was invested in the GET pre-paid tuition program. The funds have grown to more than \$12 million and are expected to cover the first two years of payouts beginning in fall 2012.

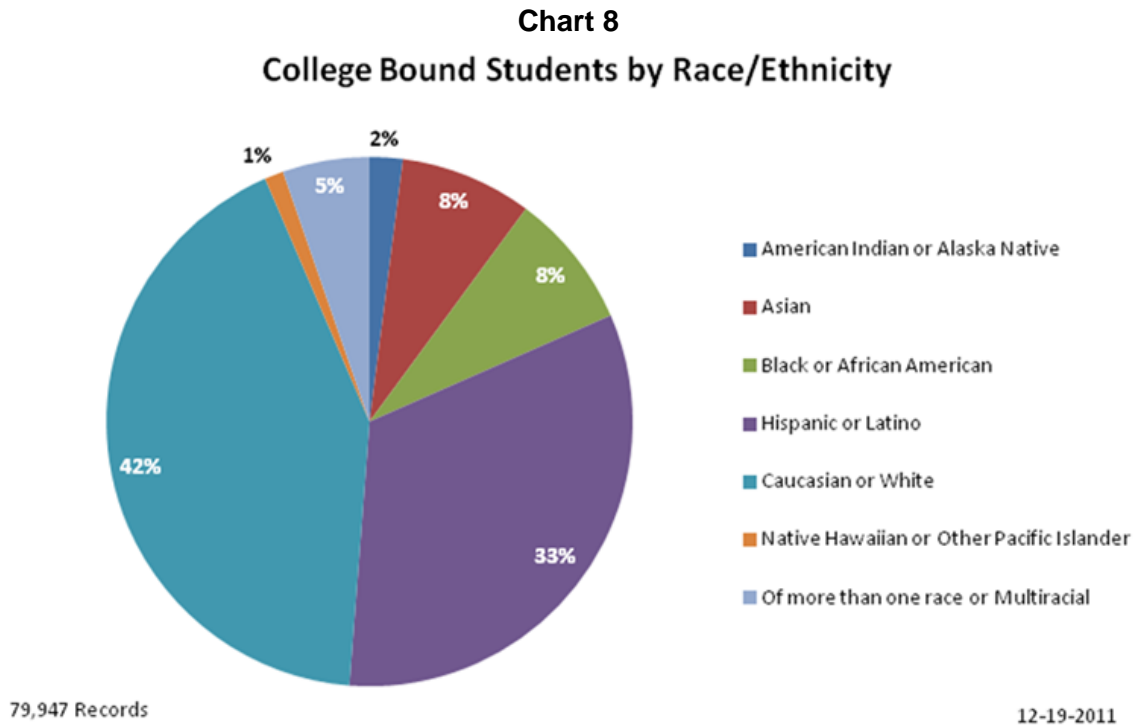
As of December 2011, more than 90,000 students, in four cohorts, have applied for the College Bound Scholarship. For the first two cohorts (the classes of 2012 and 2013), about 56 percent of eligible students applied, which increased to 75 percent for the fourth cohort. These increases reflect the commitment made by administrators, educators, and partners to sign up eligible students.

**Table 18**  
**College Bound Sign-Ups by Academic Year & Cohort** 1/23/2012

| Cohort                       | 1      | 2      | 3      | 4      | 5              | 6     | Total Sign-ups by Academic Year |
|------------------------------|--------|--------|--------|--------|----------------|-------|---------------------------------|
| Expected Graduation Year     | 2012   | 2013   | 2014   | 2015   | 2016           | 2017  |                                 |
| Eligible Students            | 28,093 | 28,600 | 29,856 | 30,549 | 31,923         | N/A   |                                 |
| Academic Year 07-08          | 8      | 7      |        |        |                |       | 15,130                          |
| Complete                     | 9,026  | 6,104  |        |        |                |       |                                 |
| Academic Year 08-09          | 9      | 8      | 7      |        |                |       | 27,460                          |
| Complete                     | 6,914  | 9,737  | 10,809 |        |                |       |                                 |
| Academic Year 09-10          |        |        | 8      | 7      |                |       | 21,660                          |
| Complete                     |        |        | 9,566  | 12,094 |                |       |                                 |
| Academic Year 10-11          |        |        |        | 8      | 7 <sup>1</sup> |       | 24,327                          |
| Complete                     |        |        |        | 10,827 | 13,500         |       |                                 |
| Academic Year 11-12          |        |        |        |        | 8              | 7     | 7,525                           |
| Applied                      |        |        |        |        | 2,597          | 4,928 |                                 |
| % of Total Eligible          | 56.7%  | 55.4%  | 68.2%  | 75.0%  | N/A            | N/A   |                                 |
| Total Sign-up by Cohort Year | 15,940 | 15,841 | 20,375 | 22,921 | 16,097         | 4,928 | 96,102                          |

## STUDENT DEMOGRAPHICS

About one-third of College Bound students are Hispanic/Latino according to the Office of Superintendent of Public Instruction (OSPI) as displayed in Chart 8. About 53 percent of College Bound applicants are female.



## DATA SHARING AND AUTOMATED SYSTEMS

A data-sharing agreement with OSPI allows K-12 schools and the HECB to monitor the progress of College Bound students. The OSPI data show more than half of the College Bound scholars are students of color. Additionally, nearly 73 percent have GPAs of 2.0, and 18 percent have 3.5 or better.

The HECB developed an online application that is more accurate and administratively efficient. The use of the online application continues to grow each year. Online applications increased by 6 percent from the previous year to 33 percent.

The HECB recently implemented a self-service report tool for school staff and partners that allows them to have secure access to reports, which provide information on students in their school or district (with valid College Bound applications) about whether or not they filed the FAFSA.

Other technological solutions have been developed in preparation for the awarding and payment of the College Bound Scholarship. College financial aid offices will have access to a tool that will confirm that students have a valid application, have filed their FAFSA, and met high school graduation and GPA requirements. A payment system has been developed to integrate College Bound payments into the State Need Grant payment system.

**CASELOAD FORECAST COUNCIL**

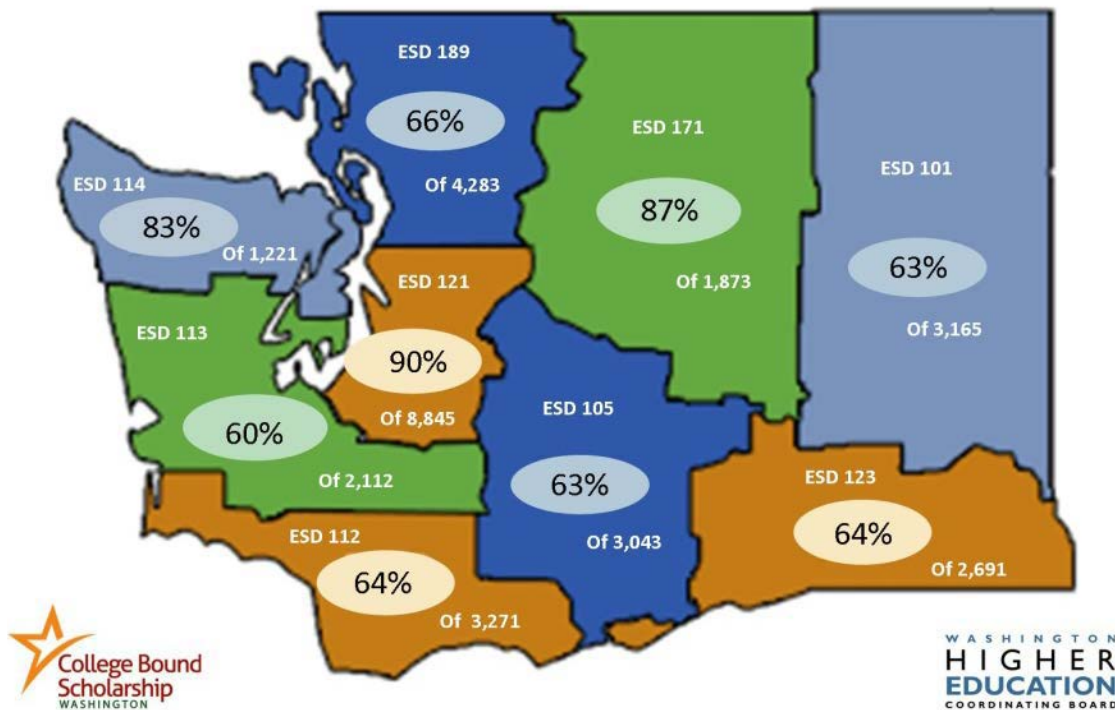
The 2011 Legislature authorized the Caseload Forecast Council to forecast the number of students who will be eligible for the College Bound Scholarship program and will attend postsecondary education. The information will assist in the budget process for future years.

**PARTNERSHIPS**

The commitment and hard work of College Bound partners continues to provide outreach and support College Bound students statewide. The College Success Foundation, OSPI, GEAR UP, College Access Challenge Grant recipients, Washington College Access Network, Seattle Alliance for Education, Seattle College Access Network, Tacoma College Support Network, and the Community Center for Education Results are some of the groups that are working in their communities to help middle school students apply for College Bound, assist with FAFSA filing, and other communications necessary for the students to receive their scholarships.

The chart below reflects the outreach efforts to middle school students statewide.

**Chart 9**  
**Complete College Bound Applications**  
**Graduating Class of 2015** *September 2011*



## CLASS OF 2012 – PREPARATIONS TO SERVE FIRST COHORT

The first cohort of College Bound students, the Class of 2012, graduates this spring and will attend college in the fall. To this end, several major projects are underway.

- HECB staff are communicating via workshops, Webinars, clock-hour trainings, and conferences with our partners to ensure that families and students understand the process to access the scholarship and the importance of completing the FAFSA by February 1.
  - In October more than 300 high school counselors, teachers and mentors attended a webinar to learn how students will access their scholarships and ways to identify College Bound students at their school.
- The HECB has implemented a task force of financial aid administrators to develop the systems and policies required to award College Bound students.
- In June, the HECB hosted a one-day conference for college and university staff members from admissions outreach, advising, and student services, to provide them with information they will need to welcome the Class of 2012.
- As noted, electronic student identification and payment systems have been developed.

## GEAR UP PROGRAM BRIEF

GEAR UP is designed to take a holistic approach to school reform and student achievement, and to raise educational aspirations among very low-income students beginning in middle school. GEAR UP provides support and services to help students graduating from high school get prepared and motivated to enroll and succeed in postsecondary education.



With recent changes in the Higher Education Opportunity Act of 2008, GEAR UP is now the only federal college access program that spans the education system to provide services to students in middle and high schools and into their first year of college. GEAR UP programs, offered in more than 70 school districts in Washington, also help students gain access to financial aid and financial literacy information.

## NEW GEAR UP GRANT

In 2011, the HECB received a new six-year, \$27 million GEAR UP state grant from the U.S. Department of Education to serve low-income schools statewide.

Washington State GEAR UP partners with 28 school districts, covering all geographic regions to serve diverse populations with higher than state averages for Latino and American Indian populations. Three schools are on reservations, and many others are near reservations.

Over the course of this project, the program will serve 6,000 students through direct service in these schools. The schools have at least a 50 percent free and reduced lunch-eligible population, with many exceeding 70 percent.

**GEAR UP services typically include:**

- Personalized tutoring and mentoring
- College and career planning information
- Access to financial aid
- Summer programs
- College visits
- Teacher training and professional development

The Washington State GEAR UP Program administered by the HECB, delivers services in collaboration with the Office of the Superintendent of Public Instruction, the University of Washington, the College Success Foundation, Washington State Employees Credit Union, local school districts, and a number of other local, state, and national organizations.

In addition to the **State GEAR UP** program, Washington is home to multiple **GEAR UP Partnership** programs. In addition to the continuing six GEAR UP partnership grants statewide, four new partnership programs also received awards this year. With the dollar-for-dollar cost share requirement, the state and partnership programs combined deliver more than \$200 million in service in schools, making it one of the largest investments in college access in Washington.

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**GEAR UP OUTCOMES**

According to a 2008 study by the Social and Economic Sciences Research Center at Washington State University, “GEAR UP students have more positive outcomes on virtually all measures of enrollment, persistence, and degree attainment.”

- First year college enrollment rates were substantially higher in the GEAR UP group than the comparison group (72 percent vs. 45 percent).
- GEAR UP students persisted into the second year of college at higher rates (about 4 percentage points).
- Credential attainment within the five year period was proportionately greater among the GEAR UP students (more than 65 percent).

GEAR UP provides several key enrichment activities for participating students. GEAR UP continues to enjoy very high student and family participation rates. For the most recent grant cycle, which served the Class of 2011 from 7th grade through graduation, **the following outcomes were documented as evidence of the success of the program:**

- 96% of GEAR UP students read at grade level by the end of 11th grade.
- 100% of GEAR UP students attended information sessions related to college admissions, financing, and scholarship opportunities during their junior year of high school.
- 92% of GEAR UP students had fewer than 5 unexcused absences during the first two quarters of 12<sup>th</sup> grade.
- 97% of GEAR UP students took the ACT or SAT.
- 100% of GEAR UP students were on track to graduate on time.
- 100% of GEAR UP students attended planned information sessions and financial aid nights.
- 98% of GEAR UP students completed the FAFSA.
- 100% of GEAR UP students visited an in-state college during their junior and senior year of high school.



## 2010-2011 GEAR UP UPDATE

A total of 271 students received scholarships totaling \$738,136 – as a result of their participation in Washington State’s first GEAR UP program (1999 - 2005). The maximum scholarship award amount is \$4,000.

As of November 2011, 438 students are participating in Washington State’s second GEAR UP program (2005 - 2011) and will receive GEAR UP scholarships totaling \$994,705. Table 19 shows the scholarships awarded by educational sector for 2010-11.

**Table 19**

### GEAR UP Grant I (1999-2005) Scholarship Recipients by Sector, 2010-11

| Sector                         | Amount Paid      | # of Students |
|--------------------------------|------------------|---------------|
| Public Four-Year               | \$323,428        | 111           |
| Private Four-Year              | \$70,781         | 24            |
| Community & Technical Colleges | \$304,202        | 121           |
| Private Vocational             | \$39,725         | 15            |
| <b>Total</b>                   | <b>\$738,136</b> | <b>271</b>    |

## BUILDING OUTREACH AND ACCESS NETWORKS

A primary goal of the Washington State GEAR UP program is to engage in and encourage outreach and networking activities throughout the state, region, and nation.

- Washington State GEAR UP co-hosted the fifth annual GEAR UP West Regional Conference in Portland, OR in October of 2011. About 350 participants from Washington, Oregon, Nevada, Wyoming, Idaho, Arizona, Utah, Hawaii, and Montana attended the three-day conference. More than 40 breakout sessions were held on topics ranging from fostering student academic success to working effectively with students in poverty and students of color.
- Washington State GEAR UP also organized statewide directors’ meetings to formulate a policy for the GEAR UP community and coordinate college awareness and readiness campaigns.
- Washington State GEAR UP and partners played an important role in helping develop and support grassroots campaigns for national college access programs such as College Goal Sunday and KnowHow2GO.

## COLLEGE READINESS PROFESSIONAL DEVELOPMENT PROJECT

In 2011, Washington State GEAR UP finished a new initiative engaging college readiness project partners and 13 GEAR UP partner schools. Extending the work of the HECB College Readiness initiative, GEAR UP partnered with the College Readiness Project English Team, the Transition Math Project, and ACT to provide targeted math and language arts instruction, intervention, and support services to the Class of 2011 GEAR UP cohort through research-based and well-designed professional development opportunities.

The project was designed to test and evaluate intervention methods in math and language arts that result in improved college readiness among participants as evidenced by increased college placement test scores. By using treatment and control groups at GEAR UP schools to collect, compare, and assess data through pre- and post-ACT COMPASS tests, the HECB analyzed the effectiveness of academic interventions and identified other factors that impact student performance.

**Other project objectives included:**

1. Incorporating rigor in the delivery of math and language arts.
2. Providing additional support to students to better prepare them for college curriculum and coursework.
3. Evaluating students to determine barriers and effective intervention methods for math and language arts.
4. Evaluating models that strengthen curriculum design and development through university/school collaborations.
5. Establishing promising GEAR UP services to foster program innovation and improvement.

Thirty-five math and English teachers participated in the intervention. Findings from the teacher surveys and focus group include:

- Teachers agreed more strongly over time that they had good working knowledge of the College Readiness Standards and that they designed activities that addressed these standards.
- Teachers were more comfortable over time teaching College Readiness Standards and developed strategies for working with students regarding student attributes.
- Teachers agreed less strongly over time that that they designed lessons to more directly address student attributes. The evaluators often see similar declines in reported knowledge and confidence as respondents acquire a more thorough understanding of the depth of content promoted by an intervention.
- Teachers reported that they spent between one hour per week and 200 hours per semester preparing lessons that addressed College Readiness attributes and outcomes, and that they redesigned between two and all of their lessons to do so.
- Teachers reported increasing utility and satisfaction with the key elements of project-related professional development.
- Teachers expected that student outcomes will include increased, understanding of College Readiness Standards, engagement, and self-efficacy.

About 1,589 GEAR UP students in the 13 participating schools took the ACT COMPASS, a standard college readiness assessment used by many two-year postsecondary programs and institutions in Washington.

**Students performed better on the ACT COMPASS assessments when they:**

- Believed they would graduate early from high school.
- Took AP, Honors, or International Baccalaureate classes.
- Were enrolled in college preparation classes.
- Were enrolled in AP English or Calculus classes.
- Planned to enroll in a 2-year community college or higher after high school graduation.
- Expected to obtain a 2-year college degree or higher.
- Had families that wanted them to go to college (both who could and could not afford it).

The findings will be used to inform future GEAR UP programming, both at the school level and as a statewide initiative to support educator professional development.

**COLLEGE ACCESS CHALLENGE GRANT BRIEF****COLLEGE ACCESS  
CHALLENGE GRANT**  
WASHINGTON

The HECB has administered the federal College Access Challenge Grant (CACG) program since 2008. The purpose of CACG is to provide services and support to low-income, first-generation students and their families in preparation for college and careers.

The 2010-11 year began a new five-year grant cycle that requires the state to submit an application each year. The formula funding is based on the number of low-income population in Washington. In 2011, Washington received \$2 million federal funding. As a condition to receive funding, the state must meet the annual maintenance of effort in supporting higher education, and provide a 50 percent match for the project.

The goals of CACG align well with the HECB's strategic master plan to add more degrees and help prepare underserved students to attain postsecondary education. The HECB set three priorities for CACG: 1) Support the Washington College Bound Scholarship; 2) Increase college awareness and financial aid opportunities for low-income, underrepresented students and families through targeted activities statewide and increase FAFSA completion rate; and 3) Work with non-profit organizations and other college access and success programs to deliver services to both K-12 and postsecondary students.

Currently, services are delivered to students and families by the following sub-grantees who were selected through a competitive application process:

- College Success Foundation
- Western Washington University Campus Compact
- Northwest Education Loan Association
- Educational Service District 101
- University of Washington Office of Minority Affairs
- Washington State University's Imagine U Program
- Metropolitan Development Council

These organizations made excellent progress in reaching increased numbers of low-income students and their families and working collaboratively with college access programs statewide.

**1. Support the Washington College Bound Scholarship program.**

Of the seven sub-grantees, five provide direct support to the students who have signed a College Bound Scholarship commitment letter with the state. These services include events and seminars to address topics such as choosing the right course work in high school, college selections, admissions applications, and the financial aid process, etc.

The services have been developed specifically for College Bound Scholarship students and families through events held at larger school districts, municipalities, and community-based organizations. Such statewide support services reached 28,773 students and 7,270 family members. CACG continues to support the counselor positions created in the Education Service Districts.

**2. Increase college awareness and financial aid opportunities for low-income, underrepresented students and families through targeted activities statewide, and increase FAFSA completion rate.**

Several program components are developed specifically to address increasing needs for low-income, underrepresented students and families.

- ***I'm Going to College*** – a school-based program targeting low-income students at 6<sup>th</sup> grade – through a collaboration between elementary, middle and high schools, and postsecondary institutions. The program has served 7,853 students to date, and more than 1,000 have visited a college campus.
- ***College Goal Sunday*** – events have seen a 149% increase in participation over that of 2010.
- ***Conocimiento de Colegio*** – A program designed for Hispanic families, conducted 27 multilingual workshops reaching 722 participants.
- The ***Imaging U@College*** program – delivers key information and experiences to communities and schools. It reached 510 students and more than 40 family members.
- ***Washington Campus Compact*** – expanded its AmeriCorps Retention Project to develop partnership between middle and high schools and college campuses, to provide targeted tutoring and mentoring services.
- **Financial aid and literacy workshops** – designed to address FAFSA filing have seen participation rates go up 500%. Such workshops include topics like FAFSA filing, aid packages, and student loans.

**3. Work with non-profit organizations and other college access and success programs to deliver services to both K12 and postsecondary students.**

**All sub-grantees are non-profit organizations that offer college access and success programs.** Some are administrators of other federally funded programs with goals and objectives similar to CACG's goals. These federal programs have become important outreach facilitators for CACG programs. They have expanded their scopes of services beyond their other federal grants. For instance, CACG provides support to expand service through both TRIO and AmeriCorps administrators so that the network of grant recipients may serve more geographic areas or students.

**AmeriCorps has increased to 22 additional sites using the AmeriCorps model to reach students in the K-12 system.** The TRIO Talent Search and Upward Bound programs added four additional sites to work with increased numbers of students. One unique sub-grantee is the Rural Alliance for College success, an ESD-based professional development and regional college access coaching program. This alliance covers a large region in Eastern Washington and works with 42 rural school districts. Their focuses are on better curriculum design, support for students, and engaging families.

**Washington CACG took the leadership role in forming FEdNet – a network of Washington's federally funded education programs, to add value to the existing programs in state.** CACG works with eight other federal programs to offer services ranging from tutoring for middle school students to professional development opportunities for K-12 educators; and from support services for college students to financial aid workshops.

The programs participating in this collaborative are: 21st Century Community Learning Centers, AmeriCorps, Carl D. Perkins Career and Technical Education, College Access Challenge Grant, Educators for the 21st Century (Title II), GEAR UP, and TRIO. The mission of the FEdNet is to serve as a statewide network of experienced leaders in college and career readiness and student success.

## PASSPORT TO COLLEGE PROGRAM BRIEF

Foster youth are among America's most disadvantaged groups in terms of their ability to access higher education and achieve the benefits of a postsecondary education. The Passport for Foster Youth Promise program was created by the 2007 Legislature to help students from foster care attend and succeed in college.

The program is authorized as a six-year pilot, and completed its third full year of operation in July 2011. The HECB recently completed a report based on the first three years of the program, which may be viewed at: [www.hecb.wa.gov/sites/default/files/PassportReport-FinalPDF\\_0.pdf](http://www.hecb.wa.gov/sites/default/files/PassportReport-FinalPDF_0.pdf)

### KEY REPORT FINDINGS

- During the program's first two years, the maximum Passport award (based on tuition at the state's highest-priced public university) was \$6,793. During the third and current academic years, maximum awards were reduced to \$3,000 to allow existing funds to serve an increasing number of students and provide support services. In 2010-11, students received 92% of the maximum award versus 81% the previous year, which indicates Passport is filling the gap not met by other student financial resources.
- Efforts to retain Passport students have increased the number of former foster youth enrolling in higher education and working toward college degrees and certificates. Several methods utilized by the HECB, the Department of Social and Health Services, and local campuses are now in place to successfully identify eligible students without requiring them to complete lengthy applications disclosing personal information.
- About one-third of eligible students enroll in Passport, and the numbers have been increasing each year. About two-thirds of Passport students who enrolled during the program's first two years re-enrolled for a second year. Approximately 75 percent of Passport recipients attend community and technical colleges.
- Among those who failed to attain a college degree, the majority reported they did not meet satisfactory academic progress requirements. The data suggest that continued work with campuses and the College Success Foundation is needed to improve enrollment and retention of Passport-eligible students.

### PROACTIVE STUDENT IDENTIFICATION

The authorizing legislation anticipated the difficulty of identifying this population due to privacy laws and the sensitive nature of self-disclosure, and required early and accurate identification of former foster youth. There are four methods used to identify eligible students: 1) Passport Consent Form that allows students to authorize the HECB to verify eligibility with DSHS and other providers; 2) the Common Application used by both the Education & Training Voucher Program and Passport; 3) the Free Application for Federal Student Aid (FAFSA); and 4) college admissions and registration materials.

The HECB develops a list of potentially eligible students via its secure web portal, and DSHS accesses the system to indicate whether students are eligible for Passport. More than 6,500 students identified as potentially eligible for Passport have been processed by DSHS, and more than 1,200 have been determined eligible. The majority of those eligible students were identified through the FAFSA.

### ENROLLMENT, PERSISTENCE, COMPLETION

In addition to the verification of student eligibility, Passport provides a unique opportunity to evaluate the educational pipeline and outcomes of youth from care. Data exchanges between the HECB and SBCTC, as well as the national Clearinghouse (a database of enrollments nationwide), provide more details about student academic progress.

The number of emancipated youth estimated to be eligible for Passport is about 500 to 600 students per year. About 60 percent of eligible youth express an intention to enroll by submitting an application (completing the FAFSA or Passport consent form). Of those who express intent, more than half ultimately enroll in that year.

During the 2010-11 academic year, 381 enrolled students received Passport services. Overall, these students were young – and more than half were female (62 percent). The average age was almost 19 at the time of FAFSA filing. About 8 percent (32 students) had dependents. Each year, the majority of enrollments have been in the public two-year colleges (see Table 20).

**Table 20**  
**Enrollment by Cohort of Emancipated Passport Eligible Youth**

| Sector                         | 2008-09    | 2009-10    | 2010-11    |
|--------------------------------|------------|------------|------------|
| Research                       | 9          | 14         | 22         |
| Comprehensive                  | 15         | 30         | 41         |
| Private Four-Year              | 10         | 18         | 22         |
| Community & Technical Colleges | 119        | 244        | 297        |
| Private Career                 | 4          | 12         | 6          |
| <b>Total</b>                   | <b>157</b> | <b>318</b> | <b>381</b> |

More than half of the 200 continuing students in 2010-11 have been enrolled for two or more years. About 41 percent of persisting students continued from the previous year; 37 percent have attended for two years; and the remaining 23 percent have attended all three years. It is important to note the program served students in 2008-09 who had already begun their college attendance and did not receive Passport support services at the start of their postsecondary career.

## SUPPORT SERVICES

Passport eligible students receive intensive support services from the institutions they attend and from the College Success Foundation (CSF). Institutions play a key role in supporting student engagement and success, and in improving retention rates. Forty-nine institutions participate in the Passport “viable plan” offering intensive support services and designating a staff member to work directly with students.

Viable plans must include a commitment by the institution to assist in the identification of students; designate a campus support staff member; provide students with a full financial aid package; strive to create a lasting institutional commitment to continue services; and connect with social services and independent living providers. As Passport students progress each term, institutions receive \$500 (\$750 per semester) incentive payments.

The HECB contracted with the College Success Foundation to provide outreach, student intervention, and community integration services beginning in 2009-10. The CSF has worked to increase college retention of Passport students by implementing their intrusive support model — an alert system that identifies six hurdles students from foster care face. The CSF also provides campuses with regular support and assistance in further developing their viable plans.

The CSF holds consortium meetings with education professionals and social service providers in each region to coordinate services to youth from foster care. In addition, CSF works with institutions to share best student services practices, and meets directly with Passport students during campus visits. CSF is expanding its student services to include a campus-based peer mentoring program for Passport students. The mentoring program, called Peer Navigators, will begin assisting students during the winter 2012 term, and will be piloted on 11 campuses throughout the state.

**THEWASHBOARD.ORG BRIEF**

In 2009, the Washington Scholarship Coalition (WSC)<sup>3</sup> launched an online scholarship clearinghouse at [www.theWashBoard.org](http://www.theWashBoard.org). This is a student-centered website that supports finding and applying for scholarship opportunities in Washington. Free for both students and providers, the online resource streamlines access to scholarships by matching scholarship applicants with providers in one, easy-to-access website.



TheWashBoard.org site enables scholarship providers statewide to share their scholarship information more efficiently with qualified students without adding to their marketing budgets. This is especially valuable for small, community-based groups who have seen donations to their scholarship programs decline during the recession.

As of December 2011, the program has 210 registered scholarship providers and has listed more than 1,000 scholarships. More than 80,000 registered scholarship seekers use theWashBoard.org to aid in their scholarship search – compared to 36,000 in the last annual report.

June 2010 Survey results that show 75 percent of users would recommend theWashboard.org to friends, and 67 percent of providers rated their experience as “very good” or “great” – a 12 percent increase over the prior year.

For the 2010-11 academic year, approximately 10,000 individual scholarship awards were made totaling \$28 million dollars. By June 2012, theWashBoard.org anticipates having more than 300 registered scholarship providers with more than \$40 million in available dollars.

On behalf of the Washington Scholarship Coalition, the HECB hosts theWashBoard.org software application, develops and manages site content, provides free customer support services via web and telephone, and conducts limited data analyses. In cooperation with the marketing consultant hired by the Washington Scholarship Coalition, HECB staff members provide presentations and individual consultations to interested providers statewide.

In 2011 the *College Spark Washington* provided a grant to the HECB to contract for software programming and project management to upgrade the scholarship matching software, provider tools, and administrative enhancements. The grant is intended to increase access to private scholarships for Washington students by achieving the following outcomes:

- Increase awareness of financial aid and scholarship opportunities and simplify the application process, particularly for low-income students.
- Increase donor funding for private scholarships by increasing applicant-matches.
- Improve availability of data on private scholarships.

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<sup>3</sup> The Washington Scholarship Coalition is a public-private partnership that includes nine organizations committed to increasing access to scholarships in Washington: College Planning Network, College Spark Washington, College Success Foundation, Greater Tacoma Community Foundation, Higher Education Coordinating Board, Independent Colleges of Washington, Northwest Dollars for Scholars, Northwest Education Loan Association, and Seattle Foundation.



## VI. HECB SFA ADMINISTRATIVE DEVELOPMENTS AND EFFICIENCIES

The HECB has undergone several budget reductions and worked to develop operational efficiencies to continue to manage the various programs and activities while maintaining quality within reduced resources. This chapter highlights some of the recent initiatives in the HECB financial aid administration.

### COLLEGE BOUND STATE NEED GRANT AWARD WAREHOUSE (CSAW)

HECB staff developed and recently launched the College Bound/State Need Grant Award Warehouse (CSAW), to private institutions participating in the SNG program. Colleges use this new web-based system to manage SNG awards, request reimbursements, and submit quarterly reports to HECB. Beginning in 2012-2013, the public sectors also will begin using CSAW to report their quarterly data. After further programming is complete, CSAW will accommodate the payments in the College Bound Scholarship.

CSAW offers the colleges enhanced features not available in the previous system, and will provide colleges with the ability to request funds for and report data on SNG and College Bound simultaneously. In addition, with full CSAW implementation in 2012, HECB staff will see administrative efficiencies with the movement of all colleges into one reporting system. HECB staff have received positive feedback on CSAW thus far and continue to fine-tune the system based on user feedback.

### ELECTRONIC FUND TRANSFERS FOR PRIVATE INSTITUTIONS

As of July 2011, all participating SNG institutions are receiving Electronic Fund Transfers (EFTs) in lieu of individual student paper checks. The new process for private institutions involves a reimbursement system where they pay the SNG to their eligible students and then the HECB reimburses them with an EFT within five business days.

This conversion has saved the state thousands of dollars in warrant processing fees and many hours of staff time in the handling of the paper warrants. The HECB is in the process of converting smaller financial aid programs to EFTs with the ultimate goal of using paper warrants only in emergency situations.

### IMAGING UPDATE

HECB SFA staff members have worked to move hard copy files into a new imaging system. The highlight of this conversion effort is that forty years of unsatisfied SNG repayment files are now imaged. All participating programs are imaging current files and working their active prior year files into the new system. Ease of access to file information is saving considerable amount of staff time and creating significant operational efficiencies.

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## PERFORMANCE-BASED CONTRACTING

The HECB is issuing contracts on a performance basis where payment is made based upon an agreed set of performance measurements or deliverables. New contracts include:

- **College Spark Washington** has contracted with the HECB to issue two subcontracts for the WashBoard version 2.0 upgrade. One contract is for a project manager and the other for the software development to implement the upgrades.
- **The Aerospace Loan Program** has an Interagency Agreement was set up between the HECB and Edmonds Community College to help implement the new Aerospace Loan Program that is used for Edmonds students attending the Aerospace Training Program offered through the colleges' Business Training Center.
- **The Leadership 1000** contract performance is based on scholarship fund development and scholarship application processing and awarding.
- **The Passport to College** contract with the College Success Foundation continues strategies that increase retention and postsecondary success of Passport students through student intervention and community integration.
- The HECB continues contract management for **GEAR UP** and **College Access Challenge Grants**.

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## DATA EXCHANGES

The HECB has developed innovative, efficient and secure data exchange protocols for several programs. Examples in the financial aid area include:

- **College Bound:** The Office of Superintendent of Public Instruction (OSPI) and the HECB share data to ensure valid applicants to the College Bound program are identified to the schools and districts for the purposes of assisting students. Data also will be exchanged to verify these students have met the graduation and GPA eligibility requirements to receive the scholarship. OSPI and HECB staff meet regularly to ensure data protocols are understood and discuss emerging issues.
- **GEAR UP:** OSPI and the HECB entered into a data sharing agreement in fall 2011 to support the data collection, reporting, and evaluation needs of the six year federal GEAR UP project. OSPI provides GEAR UP with student level information for the 28 school district partners. This will allow GEAR UP to track student, family, and staff participation in GEAR UP activities in order to measure the impact of GEAR UP services on high school graduation rates, postsecondary enrollment rates, enrollment and success in rigorous coursework, and student and family knowledge of college preparation and financial aid requirements.

ERDC is providing longitudinal outcomes for former GEAR UP students to measure postsecondary outcomes. This will allow GEAR UP to further assess the impact of participation in program services as they directly relate to postsecondary enrollment and persistence as compared to non-GEAR UP students of poverty.

- **Passport:** A unique secure data-share procedure developed by the Department of Social and Health Services (DSHS) Children’s Administration and the HECB is used to determine student eligibility. The authorizing legislation anticipated the difficulty of identifying this population due to privacy laws and the sensitive nature of self-disclosure, and required early and accurate identification of former foster youth.

The HECB develops a list of potentially eligible students from several methods such as the Passport Consent Form and FAFSA that is then uploaded into the HECB secure web portal. DSHS then accesses the system to indicate whether students are eligible for Passport. More than 6,500 students identified as potentially eligible for Passport have been processed by DSHS, and more than 1,200 have been determined eligible.

- **Opportunity Internship:** High school graduates who are eligible for the Opportunity Internship Program are uploaded via a secure file upload to the HECB Portal system by the Workforce Development Councils. This data is used to match against regular State Need Grant to track these students.

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## PARTNERSHIPS

The Student Financial Assistance Division works collaboratively with many partners statewide to extend and enhance services to students. Partnerships involve communicating on shared projects; exchanging best practices; requesting input on program development and implementation; presenting HECB information at meetings and conferences and collaborating on grants and reports.

Statewide partners include entities such as:

- Association of Washington School Principals
- College Success Foundation
- College Trio Programs
- Department of Health
- Department of Social and Health Services
- DigiPen University
- Metropolitan Development Council
- Northwest Education Loan Association
- Office of Superintendent of Public Instruction
- Professional Educator Standards Board
- The Scholarship Coalition for The WashBoard
- Washington Association of Financial Aid Association
- Washington College Access Network
- Washington State Employees Credit Union
- Western Washington University Campus Compact
- Workforce Development Councils
- Workforce Training and Education Coordinating Board
- University of Washington

Regional partners include:

- School Districts
- Seattle College Access Network

## VII. AEROSPACE LOAN IMPLEMENTATION SUMMARY

The Aerospace Training Student Loan Program was formed in the 2011 Legislative Session



(28B.122 RCW) with the intent of providing low interest tuition loans to students who otherwise could not afford the cost of the Aerospace training program. Standard financial aid sources are not available to students in short certificate programs.

The HECB is the program administrator. Program design is being done in consultation with representatives from aerospace employers, aerospace workers, and the Washington Aerospace Training and Research Center (WATRC).

WATRC offers three different Aerospace related certificate programs that have a over 80 percent placement rate in the Aerospace industry. The typical certificate involves a 12 week training course that is comprised of a four week core skills component that is done online; an eight week specialty component such as assembly mechanic or electrical assembler that is done in a hybrid format of four weeks online and four weeks on site at the training facility. The core skills and specialty components each cost \$2,400 – for a combined cost of \$4,800 – the total maximum loan amount.

HECB staff worked with Training Center staff, as well as the Aerospace Future's Alliance, to establish the beginning phases of the program in summer 2011.

### IMPLEMENTATION PROCESS

An interagency agreement was established between the HECB and Edmonds Community College Business Training Center, which oversees WATRC. The agreement focuses on prescreening of potential applicants, the loan payment application process, and collaboration on annual reports. Student loan payments go straight to Edmonds Community College Business Office once the students have enrolled in the Aerospace Training program.

The HECB has established contracts with two different vendors for the purposes of gathering criminal history information and credit bureau information on the loan applicants. HECB staff reviewed the Fair Credit Reporting Act and worked with other loan entities to develop information that is required to be presented to potential loan recipients.

### STUDENT ELIGIBILITY

Several of the eligibility criteria (listed below) were taken directly from the WATRC program requirements. Consideration for the applicant's ability to find work when the certificate is completed was incorporated into the eligibility. Legal eligibility to work in the U.S. as well as felony criminal history in particular, can prevent a candidate from being hired.

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## PROMOTION

As a new program, additional efforts are being made to generate awareness of the Aerospace Loan Program. WATRC is doing significant promotion for the program. Interested loan applicants are directed to the HECB website to learn about program eligibility requirements and to download an application if desired. The HECB staff is promoting the loan program with Worksource participants through Employment Security.

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## APPLICANT REVIEW AND AWARDING

A Program Manager reviews all applications for completeness and sends missing information letters. A review committee reviews all completed applications to evaluate for eligibility. Now that program operational processes are fully implemented, a completed application is processed within two to three weeks and either sent an acceptance packet, a co-signer needed letter, or a denial letter.

A maximum of 51 loans can be offered in the 2011-12 academic year, a small amount is reserved for loan processing costs. Loans are being committed on a first-come basis once an applicant is determined eligible. As Promissory Notes are returned, loan dollars are set aside for recipients' tuition payments for the next available training session. The first cohort began training on January 3, 2012.

The program is funded at \$250,000 for the 2011-12 academic year. The December 2011 Special Legislative Budget Session provided an additional \$1,000,000 in program funds for the 2012-13 fiscal year. It is anticipated that available funds for 2011-12 will be fully awarded in January 2012.

Recipients, upon graduation, will be given a three month grace period to find work. At the completion of the grace period or sooner, the loan recipients are expected to begin loan payments. Recipients are expected to repay the loan within a three year timeframe. The interest rate is the same as the federal education loan interest rate (6.8 percent).

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## APPLICATIONS RECEIVED TO DATE

As of January 9, 2012, more than 120 applications have been received – 26 of these have been awarded, and the remaining 25 slots will be filled over the next two weeks. Once the funds have been fully committed, interested borrowers will be asked to apply for 2012-13 funding.

### Applicant demographics

**Gender:** 86% male, 14% female

**Age range:**

- 46% between 18 and 25
- 14% between 26 and 35
- 31% between 36 and 45
- 9% are 46 and over

**Applicant income range:** \$0 and \$2000 per year

**Unemployed applicants:** 66%

**Applicants with dependents:** 26%