



PROMISE PROGRAM PROPOSALS IN WASHINGTON

Rachelle Sharpe, PhD
Deputy Director

State Higher Education Executive Officers

May 3, 2016



WASHINGTON STUDENT
ACHIEVEMENT COUNCIL
EDUCATION · OPPORTUNITY · RESULTS



Affordability Framework

WA State Aid Context

Promise Proposals

Affordability Interactive Model



An Affordability Framework

Understanding affordability for Washington students



PAYING FOR COLLEGE IS A SHARED INVESTMENT

Students &
Families

State
Policymakers

Institutions

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



STUDENTS AND FAMILIES

Affordability is viewed from the perspective of students and families.

- All students and their families are responsible for sharing in the cost for their education.
- Families should receive early, high quality information about financing options.
- A reasonable amount of work supports student success.



STATE POLICYMAKERS

Ensure affordable access to high quality instruction through coordinated funding to public institutions.

- Set stable and predictable tuition and financial aid policies.
- Provide a variety of affordable educational pathways for students.
- Consider the full cost of attendance for each sector when addressing affordability.



INSTITUTIONS

Play a critical role in addressing affordability, including through institutional aid and packaging policies.

- Provide services that support student success.
- Commit to serving a diverse student body, including low-income and first-generation students.



Affordability Metrics

Measuring affordability by evaluating Costs,
Financial Aid, and Student Options



HOW ARE WE MEASURING AFFORDABILITY?

Paying for postsecondary education has three major components.

Costs

Include tuition and fees, books, room and board, etc.

Aid

The system by which some costs are reduced or waived, lowering total cost for recipients.

Student Options

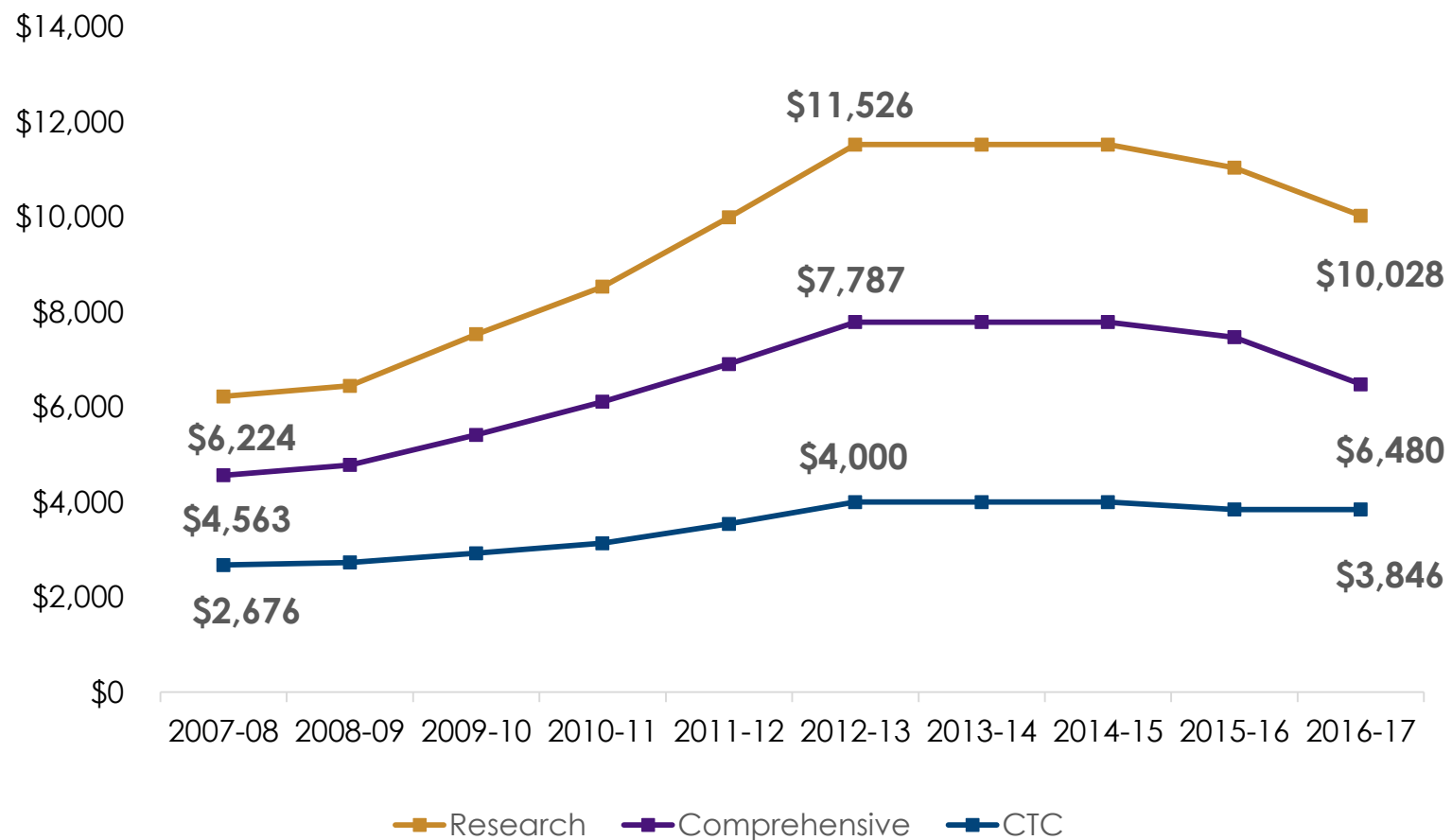
Students then have to decide how to pay for their net costs, the cost remaining after any aid is applied. They can work, borrow, attend part-time, choose different institutions, etc.



TUITION THROUGH THE RECESSION TO CURRENT LEVELS

Following steep increases during the recession, tuition held steady and then decreased.

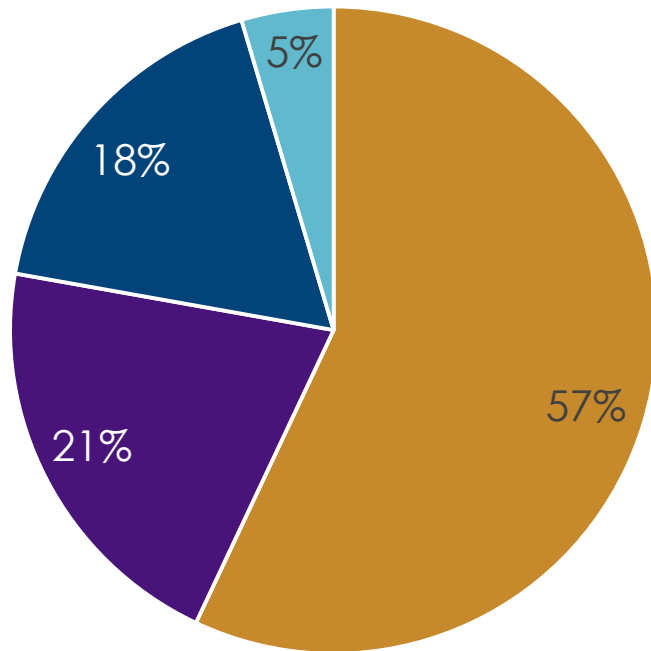
Resident Undergraduate Tuition Rates





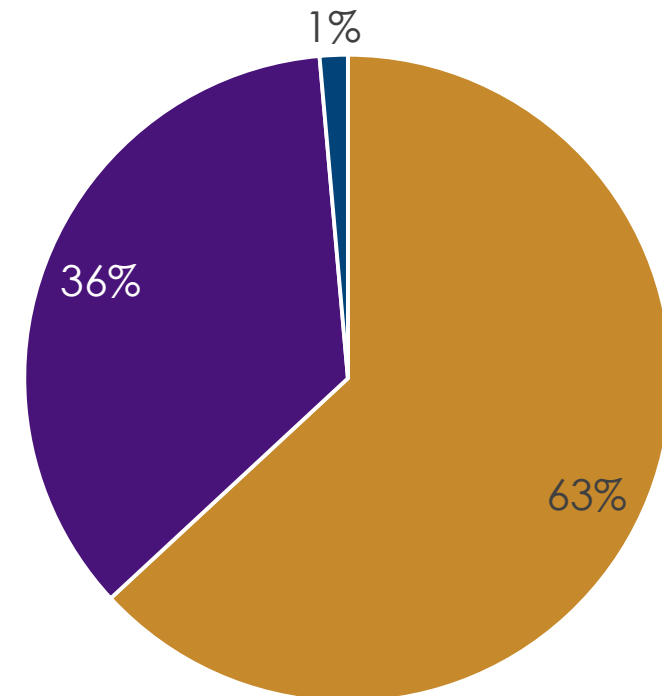
NEARLY \$2 BILLION IN AID SERVING WASHINGTON UNDERGRADUATES

2014-15 Total Aid by Source



■ Federal ■ State ■ Institutional ■ Other

2014-15 Total Aid by Type

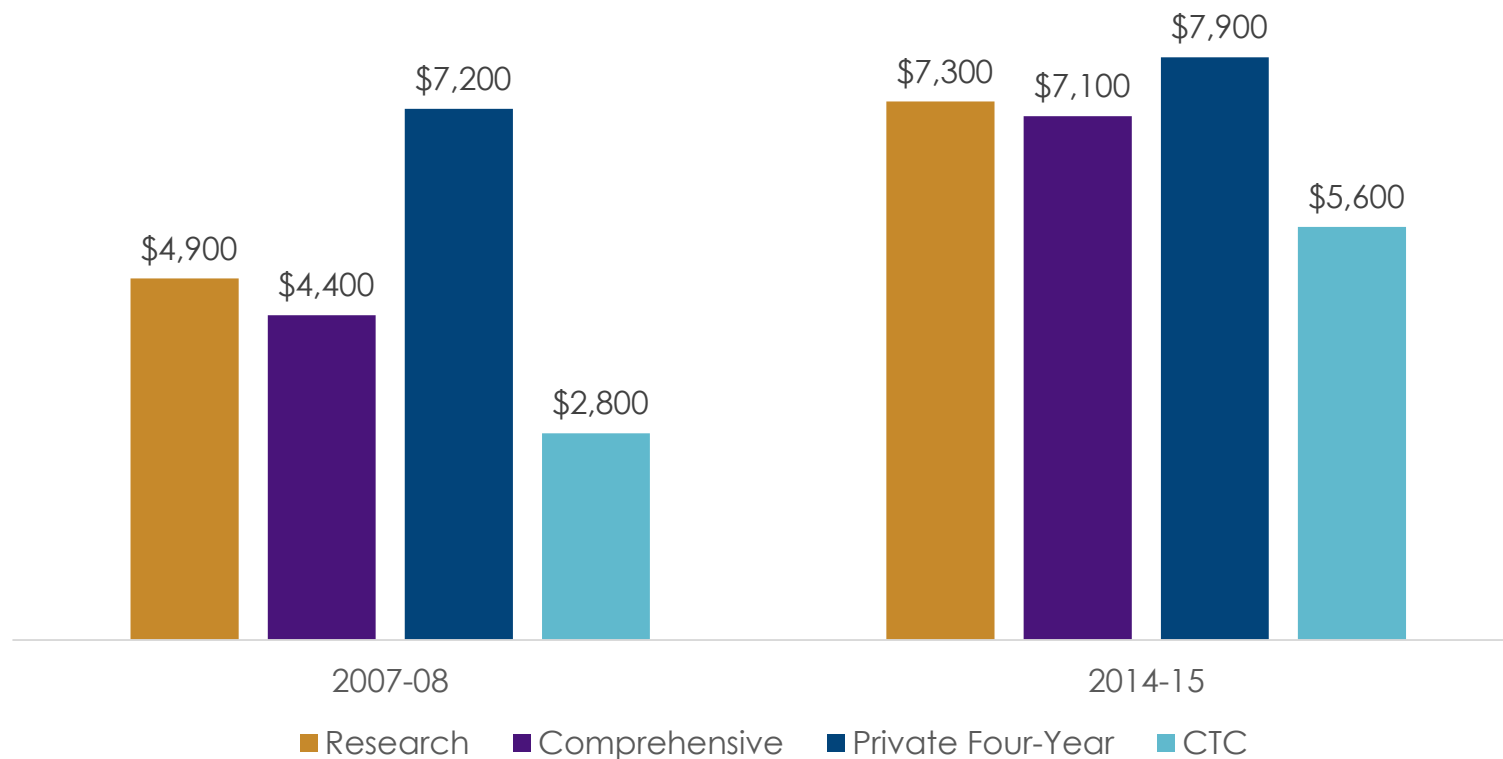


■ Grants/Scholarship ■ Loans ■ Work ■



STUDENT BORROWING INCREASED DURING THE RECESSION

Resident Undergraduate Borrowers with Need





Washington State Aid

Promise proposals in context of WA state financial aid.



STATE NEED GRANT: THE STATE'S FLAGSHIP AID PROGRAM

68
institutions

71,000
students

\$295
Million,
FY 16

Washington is nationally recognized for its commitment to financial aid.

State Need Grant (SNG) has supported low-income undergraduate students for 45 years.

SNG is a critical strategy to reach the state's attainment goals.

SNG supports the College Bound Scholarship.



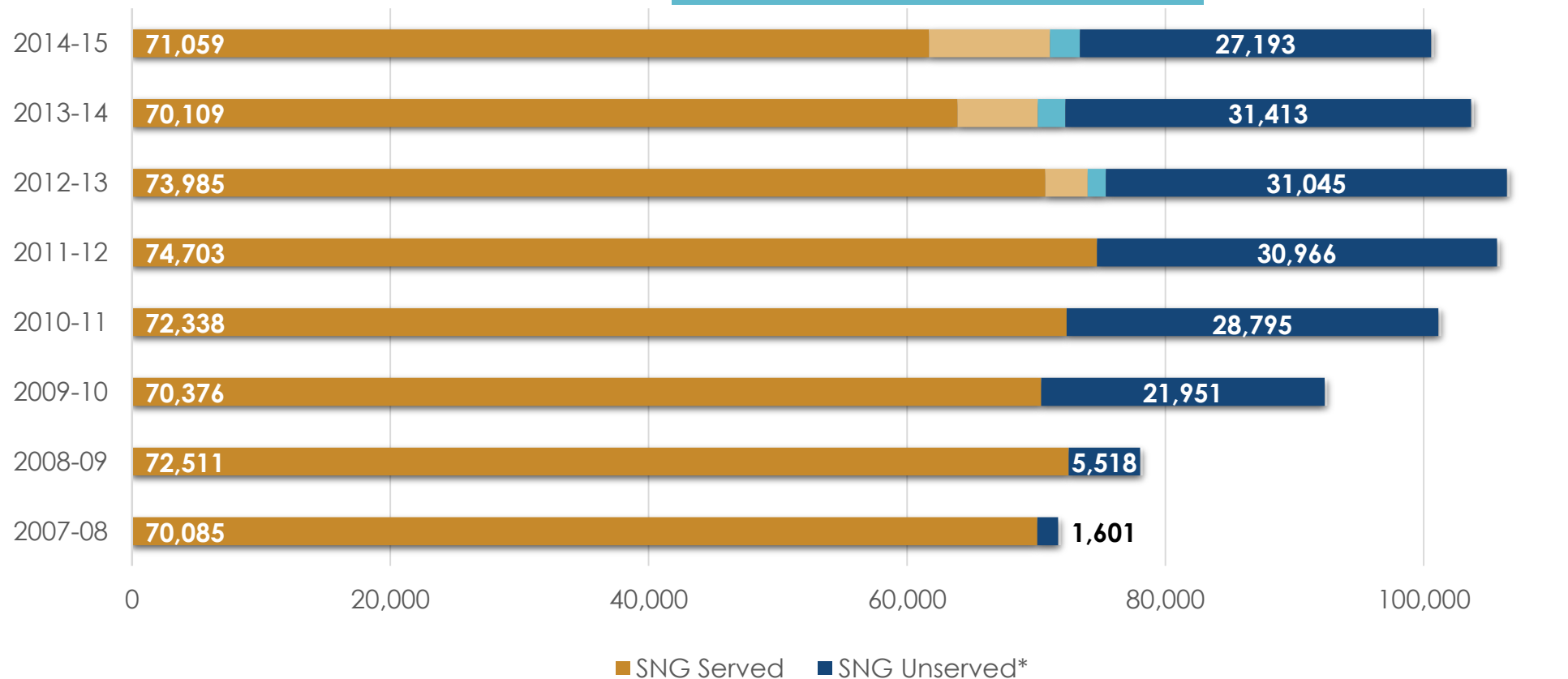
UNSERVED STUDENT TREND CONTINUES

Although enrollments have declined in the two-year sector, total eligible students remain high.

State Need Grant Service Levels

College Bound recipients were 12% of the total State Need Grant eligible population in 2014-15

■ SNG & CBS ■ CBS Only

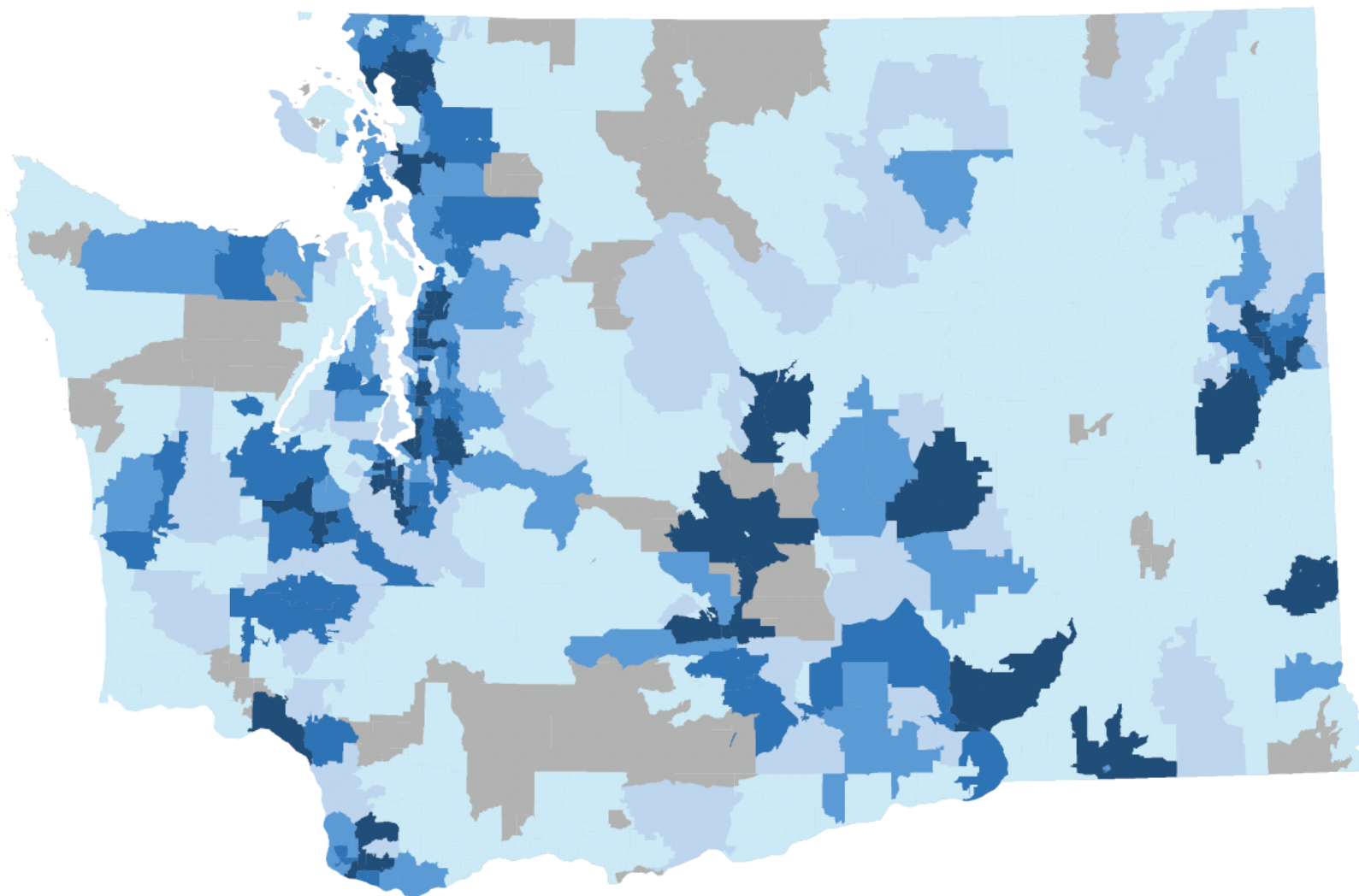
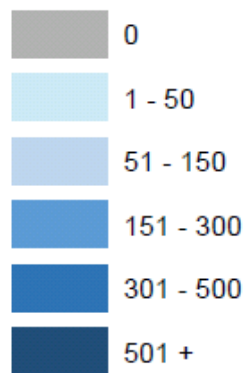




STATE NEED GRANT STUDENTS ARE FROM NEARLY EVERY REGION OF THE STATE

State Need Grant (SNG) Eligible Students in 2014-15

Eligible Student Count





COLLEGE BOUND PLEDGE



In middle school, eligible students pledge to:

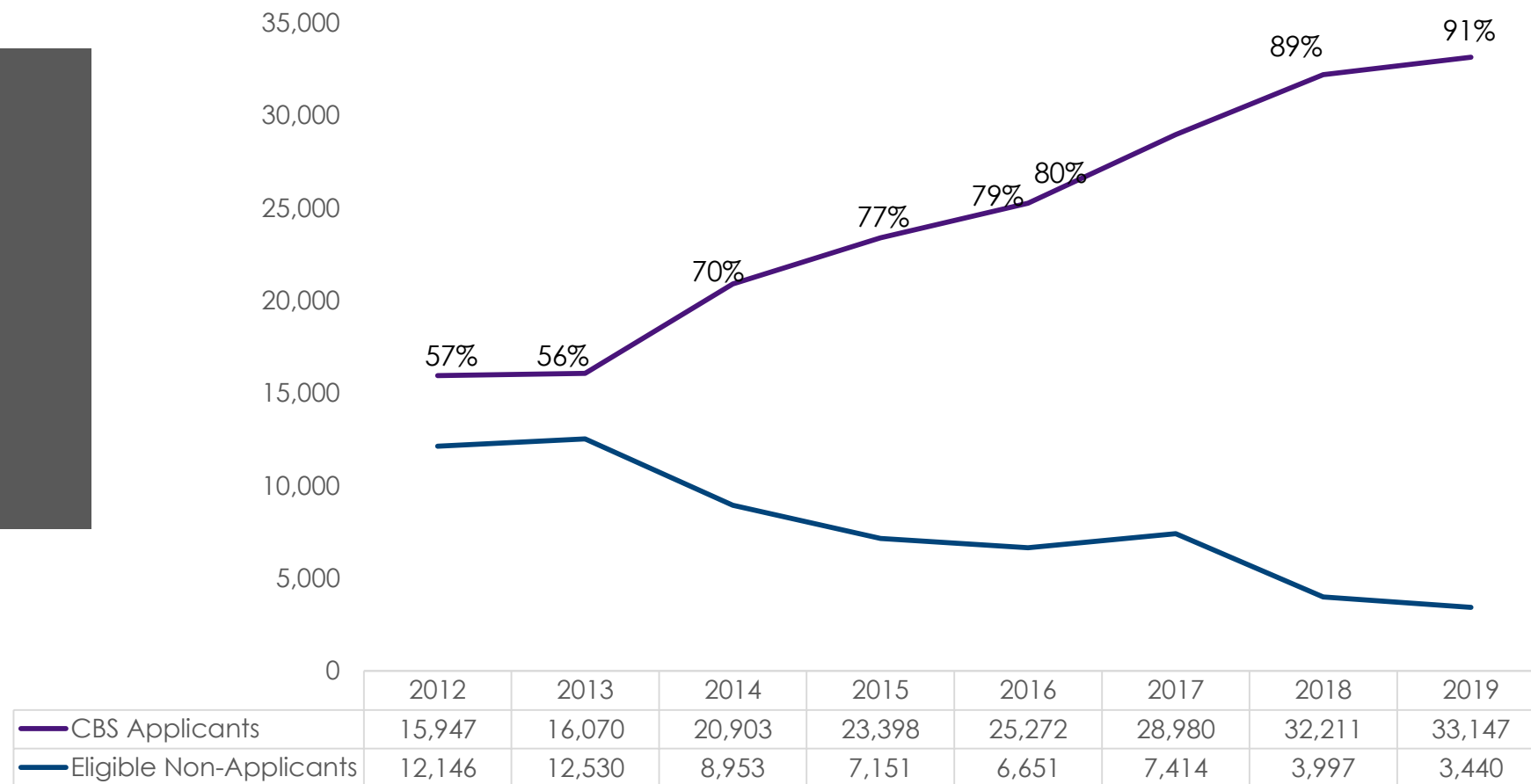
- Graduate high school with a cumulative 2.0 GPA.
- Stay crime-free.
- Prepare for and be admitted to college.
- Apply for financial aid in a timely manner.



CBS SIGN-UP CONTINUE TO INCREASE

Applications up 34 percentage points over seven years.

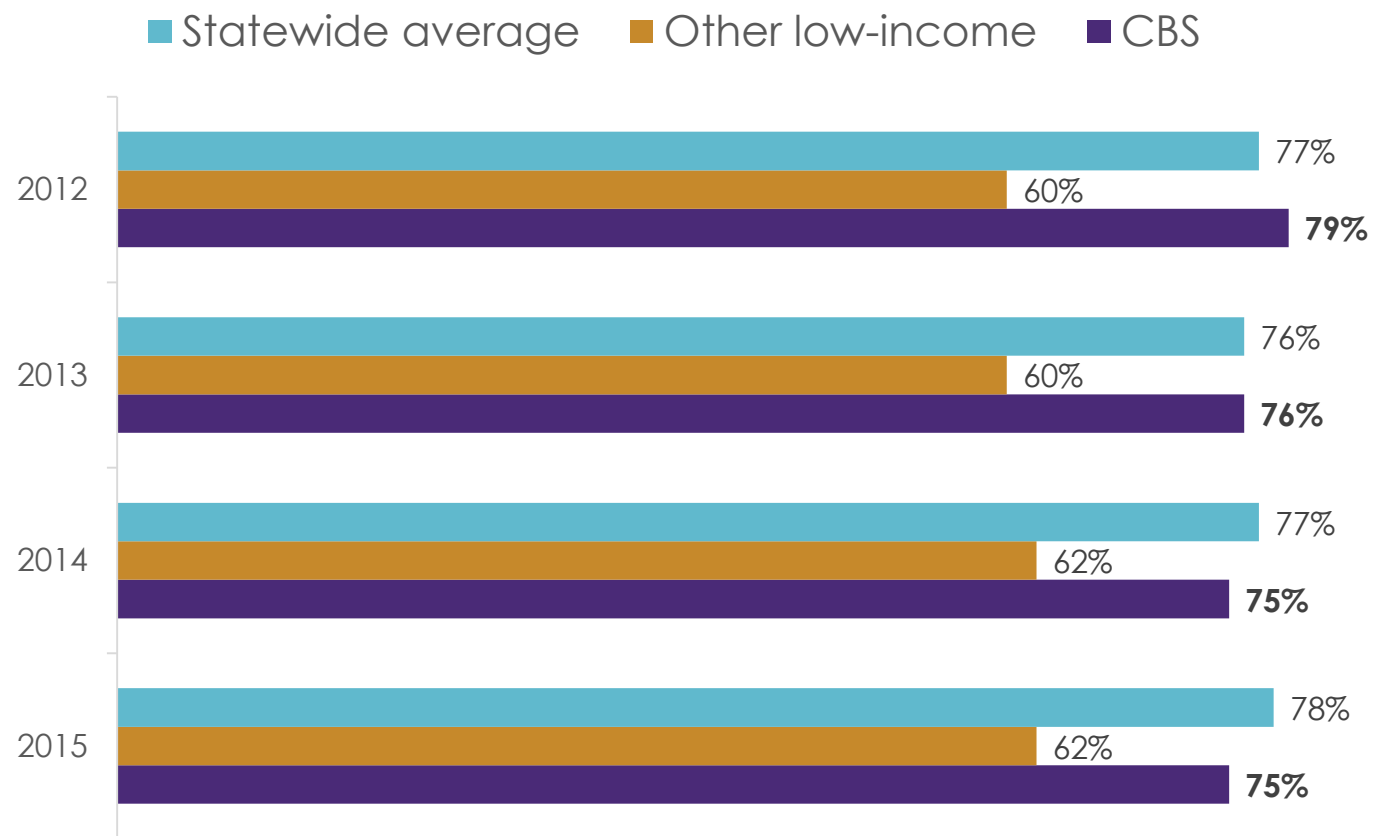
As of January 2016, over 227,000 students have applied.





CBS HIGH SCHOOL GRADUATION RATES

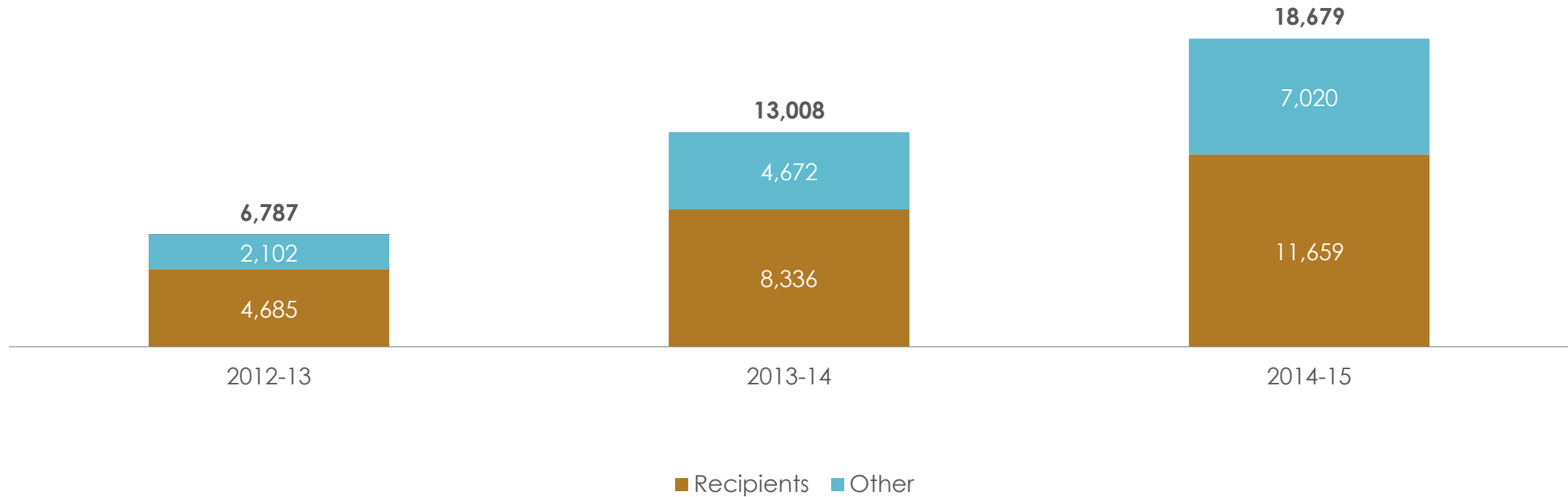
Graduation rates for CBS students are at least ten percentage points higher than those of their non-CBS low-income peers.





OVER 60% OF ENROLLING CBS STUDENTS RECEIVE THE SCHOLARSHIP

College Bound Scholarship Enrollments 2012-13 to 2014-15



CBS Applicants who graduated with 2.0 GPA and enrolled in postsecondary education. Other includes students who had sufficient state aid to meet the award maximum; students whose family income exceeds the maximum; students who enroll in ineligible institutions.



OTHER STATE AID PROGRAMS

State Work Study Employment

- A public-private partnership providing employment and funding to eligible students.
- 4,473 students received \$12.5 million in 2014-15.

Passport to College Promise Scholarship

- Scholarship for foster youth.
- Provides support services and administrative allowance to institutions.
- 363 students received \$1.3 million in 2014-15.

Workforce Related

- Health Professionals Loan Repayment
- Alternative Routes for Teachers
- Aerospace Loan
- SBCTC Opportunity Grant
- Opportunity Scholarship private/public



WA Promise Proposals

Legislation from 2016



2016 PROMISE PROPOSALS IN WA

Central Washington University's 5th Year Promise (HB 2686)

- CWU guarantees 4-year degree students who follows an advising pathway will graduate or enroll in remaining courses for free
- Degree planner software subject to funding

Washington Free to Finish Program (HB 2955)

- Encourages students who did not complete to return if within 15 credits and 3 years have lapsed
- COA – gift aid

Washington Promise Program – universal and affordable access to CTCs (SB 6481)

- First two years CTC tuition covered
- T+F – gift aid
- up to \$1,500 books for $\leq 70\%$ MFI



COSTS OF PROPOSALS

5th Year

\$180K administration

\$219K software training & maintenance

Free to Finish

\$89K – aid program administration

\$50K – evaluation

Number of students eligible unclear

CTC Promise

\$260K – caseload forecast

\$346K – evaluation

\$250K – aid program administration

\$145 M in awards

Loss of enrollments in 4 years

\$15 M in state support (with \$15 M in tuition)



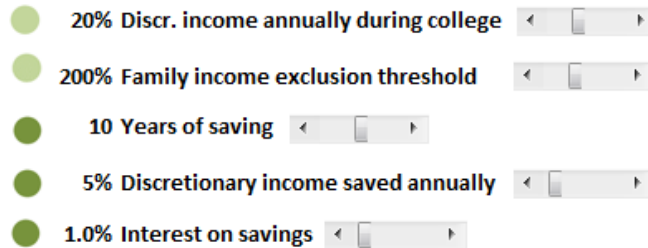
Affordability Interactive Model

Setting parameters of affordability and evaluating proposals

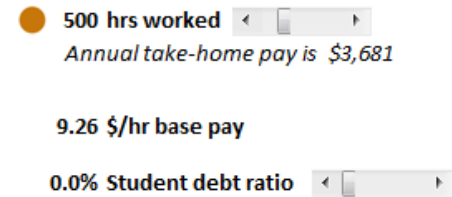


AFFORDABILITY MODEL – COMPREHENSIVE INSTITUTION, LIVING ON CAMPUS, 2014

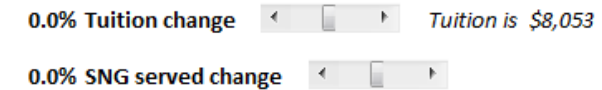
FAMILY'S SHARE



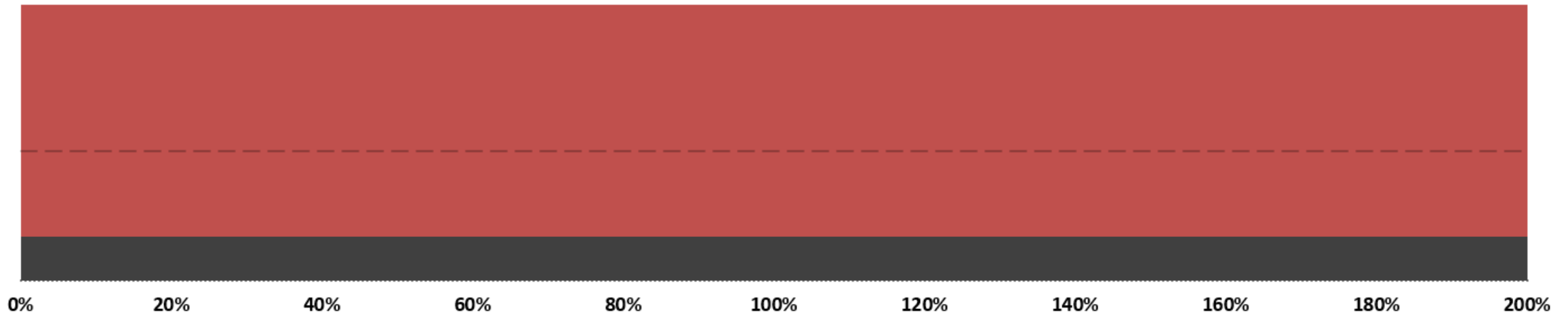
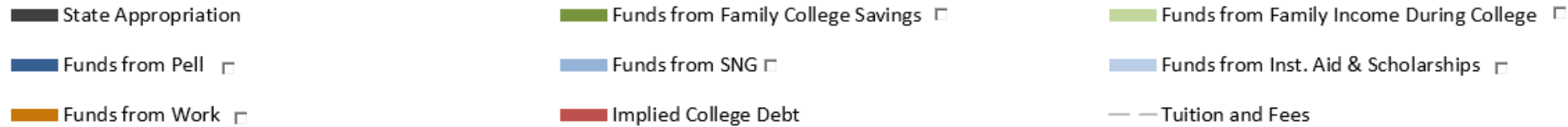
STUDENT'S SHARE



POLICY CHANGE



Policy impact on budgets	Schools:	0.0%
	State:	0.0%

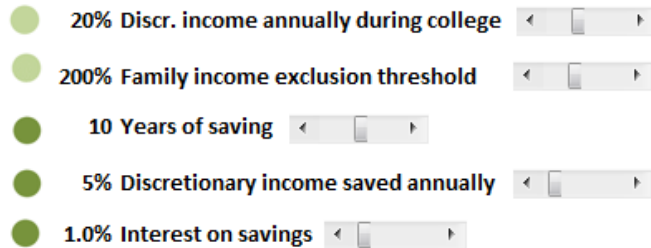


Low <-----Family Income-----> High

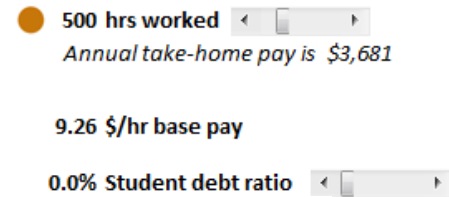


AFFORDABILITY MODEL – COMPREHENSIVE INSTITUTION, LIVING ON CAMPUS 2017

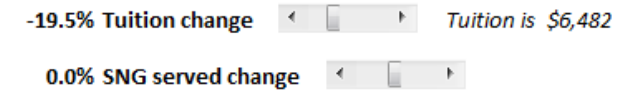
FAMILY'S SHARE



STUDENT'S SHARE



POLICY CHANGE



Policy impact on budgets

Schools: 0.0%
State: 20.9%

State Appropriation

Funds from Pell ☐

Funds from Work ☐

Funds from Family College Savings ☐

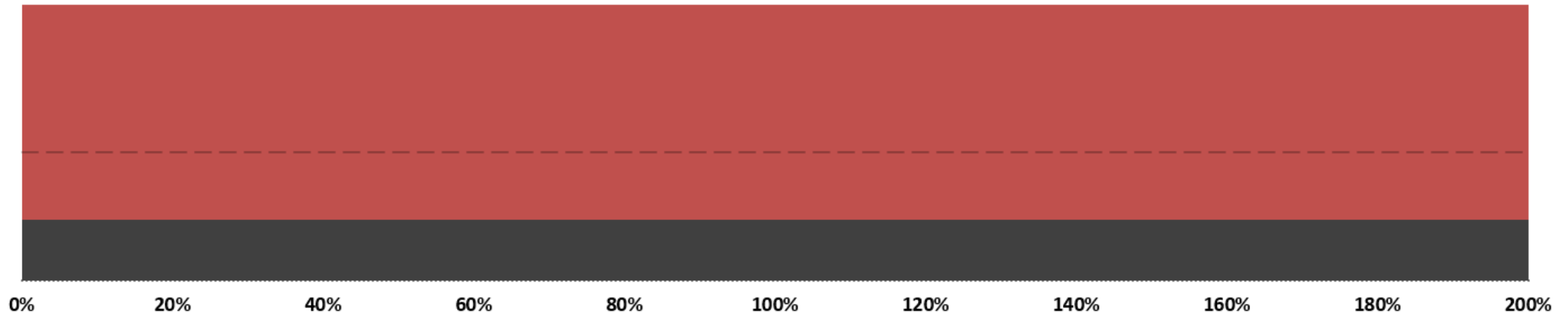
Funds from SNG ☐

Implied College Debt

Funds from Family Income During College ☐

Funds from Inst. Aid & Scholarships ☐

Tuition and Fees

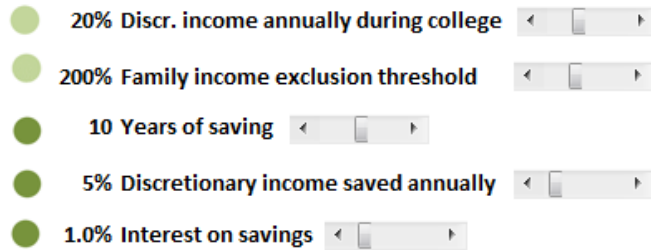


Low <-----Family Income-----> High

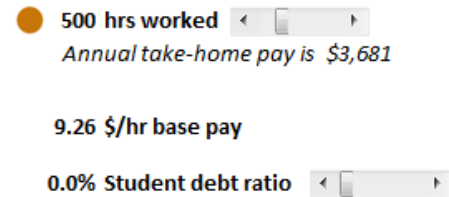


AFFORDABILITY MODEL – COMPREHENSIVE INSTITUTION, LIVING ON CAMPUS 2017

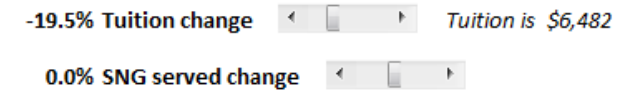
FAMILY'S SHARE



STUDENT'S SHARE



POLICY CHANGE



Policy impact on budgets

Schools: 0.0%
State: 20.9%

State Appropriation

Funds from Pell ☒

Funds from Work ☐

Funds from Family College Savings ☐

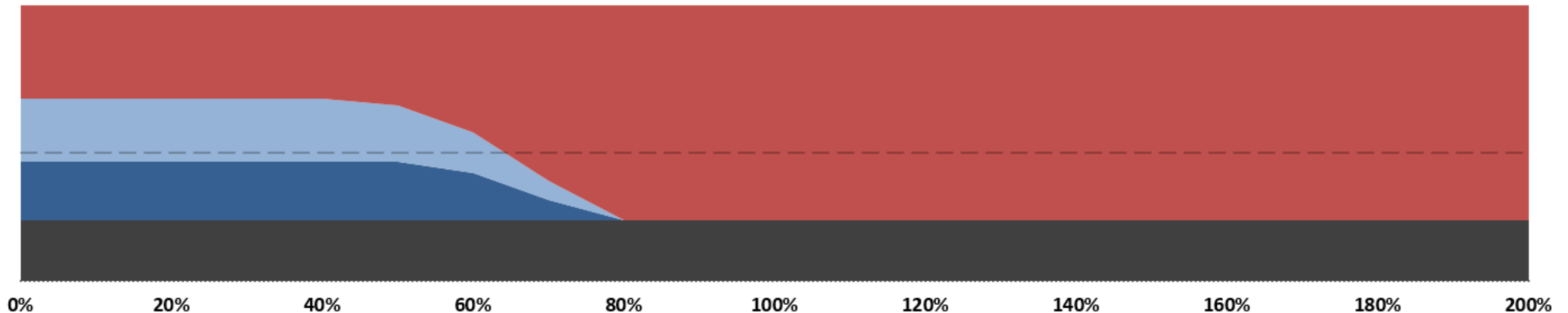
Funds from SNG ☒

Implied College Debt

Funds from Family Income During College ☐

Funds from Inst. Aid & Scholarships ☐

Tuition and Fees



Low <-----Family Income-----> High



AFFORDABILITY MODEL – COMPREHENSIVE INSTITUTION, LIVING ON CAMPUS 2017

FAMILY'S SHARE

- 20% Discr. income annually during college
- 200% Family income exclusion threshold
- 10 Years of saving
- 5% Discretionary income saved annually
- 1.0% Interest on savings

STUDENT'S SHARE

- 500 hrs worked
Annual take-home pay is \$3,681
- 9.26 \$/hr base pay
- 0.0% Student debt ratio

POLICY CHANGE

- 19.5% Tuition change Tuition is \$6,482
- 0.0% SNG served change

Policy impact on budgets

Schools: 0.0%
State: 20.9%

State Appropriation

Funds from Pell ☒

Funds from Work ☒

Funds from Family College Savings ☐

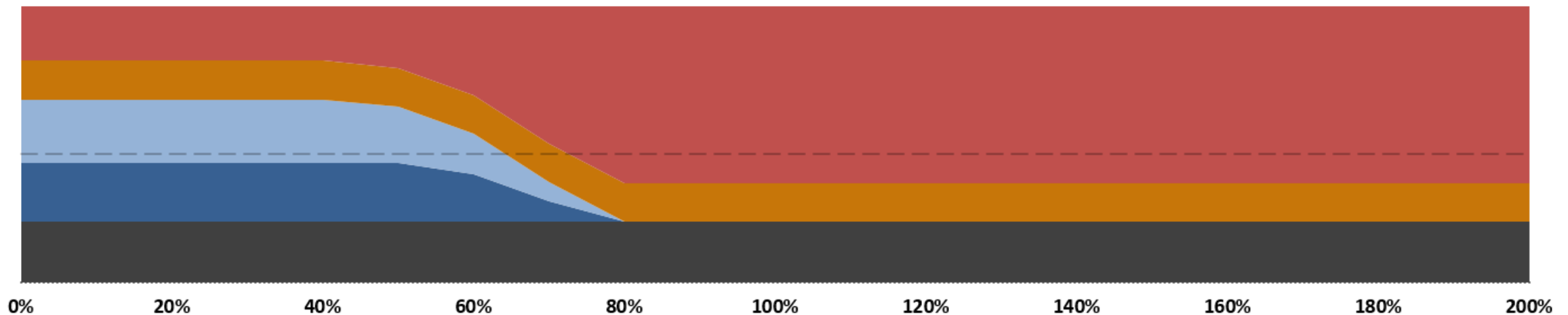
Funds from SNG ☒

Implied College Debt

Funds from Family Income During College ☐

Funds from Inst. Aid & Scholarships ☐

Tuition and Fees



Low <-----Family Income-----> High



AFFORDABILITY MODEL – COMPREHENSIVE INSTITUTION, LIVING ON CAMPUS 2017

FAMILY'S SHARE

- 20% Discr. income annually during college
- 200% Family income exclusion threshold
- 10 Years of saving
- 5% Discretionary income saved annually
- 1.0% Interest on savings

STUDENT'S SHARE

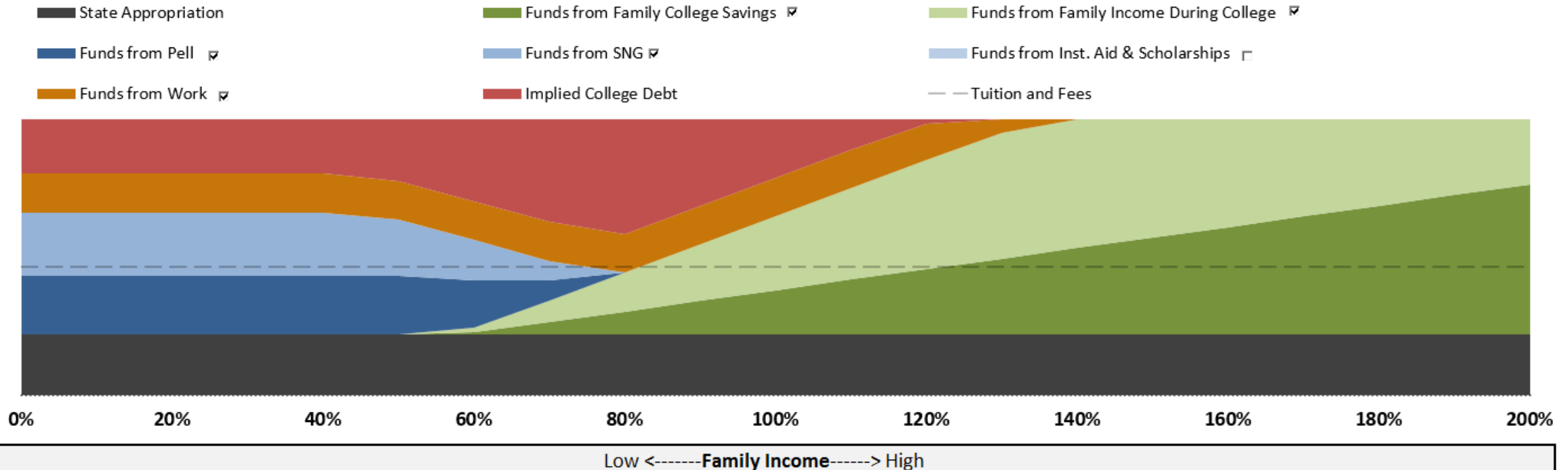
- 500 hrs worked
Annual take-home pay is \$3,681
- 9.26 \$/hr base pay
- 0.0% Student debt ratio

POLICY CHANGE

- 19.5% Tuition change Tuition is \$6,482
- 0.0% SNG served change

Policy impact on budgets

Schools: 0.0%
State: 20.9%





AFFORDABILITY MODEL – COMPREHENSIVE INSTITUTION, LIVING ON CAMPUS 2017

FAMILY'S SHARE

- 20% Discr. income annually during college
- 200% Family income exclusion threshold
- 4 Years of saving
- 1% Discretionary income saved annually
- 1.0% Interest on savings

STUDENT'S SHARE

- 500 hrs worked
Annual take-home pay is \$3,681
- 9.26 \$/hr base pay
- 0.0% Student debt ratio

POLICY CHANGE

- 19.5% Tuition change Tuition is \$6,482
- 0.0% SNG served change

Policy impact on budgets

Schools: 0.0%
State: 20.9%

State Appropriation

Funds from Pell ☒

Funds from Work ☒

Funds from Family College Savings ☒

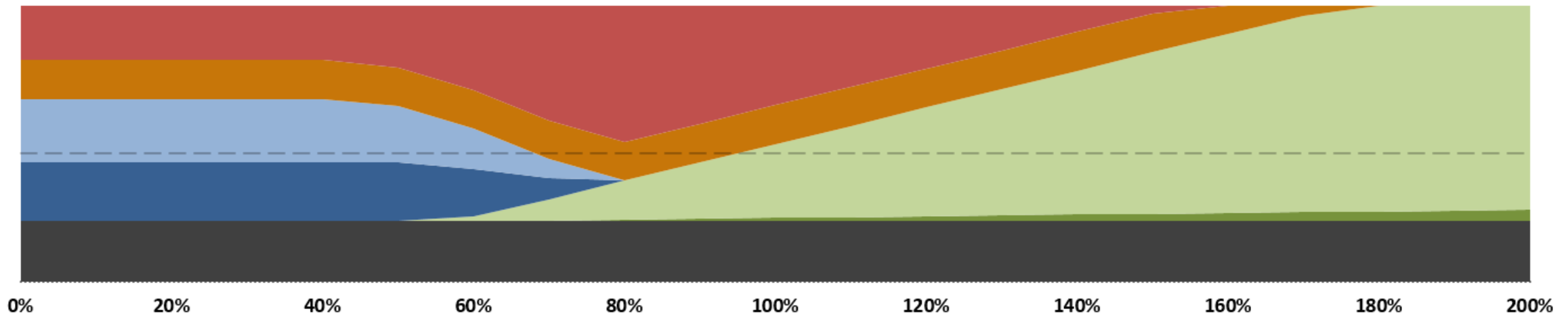
Funds from SNG ☒

Implied College Debt

Funds from Family Income During College ☒

Funds from Inst. Aid & Scholarships ☐

Tuition and Fees



Low <-----Family Income-----> High



AFFORDABILITY MODEL – RESEARCH UNIVERSITY, LIVING ON CAMPUS, 2014

FAMILY'S SHARE

- 20% Discr. income annually during college
- 200% Family income exclusion threshold
- 4 Years of saving
- 1% Discretionary income saved annually
- 1.0% Interest on savings

STUDENT'S SHARE

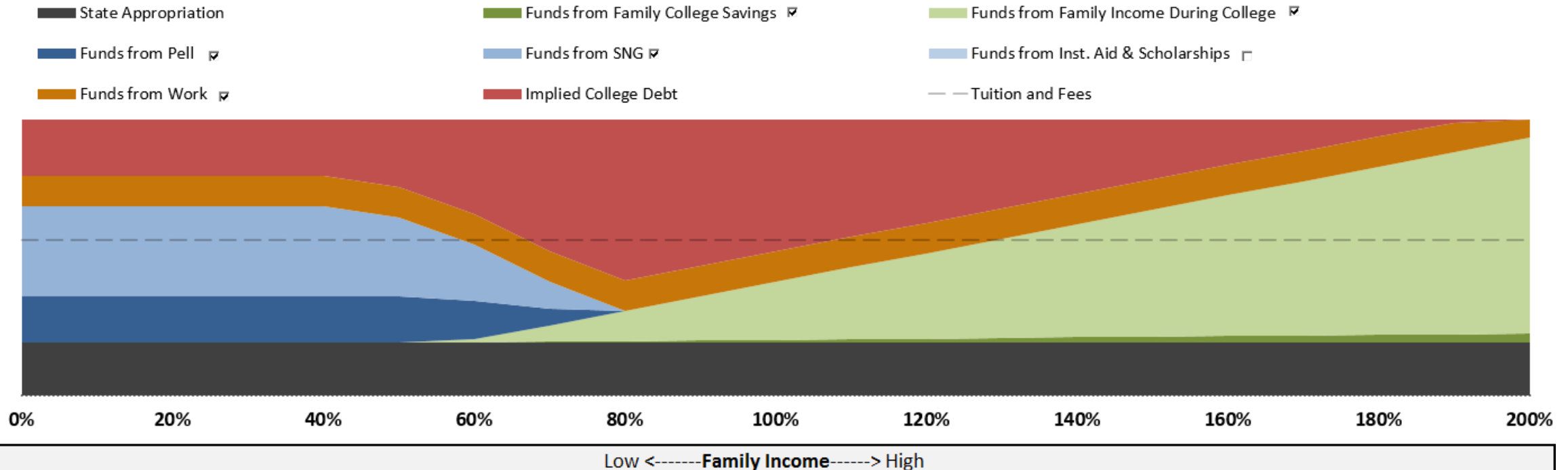
- 500 hrs worked
Annual take-home pay is \$3,681
- 9.26 \$/hr base pay
- 0.0% Student debt ratio

POLICY CHANGE

- 0.0% Tuition change Tuition is \$12,397
- 0.0% SNG served change

Policy impact on budgets

Schools: 0.0%
State: 0.0%





AFFORDABILITY MODEL – RESEARCH UNIVERSITY, LIVING ON CAMPUS, 2017

FAMILY'S SHARE

- 20% Discr. income annually during college
- 200% Family income exclusion threshold
- 4 Years of saving
- 1% Discretionary income saved annually
- 1.0% Interest on savings

STUDENT'S SHARE

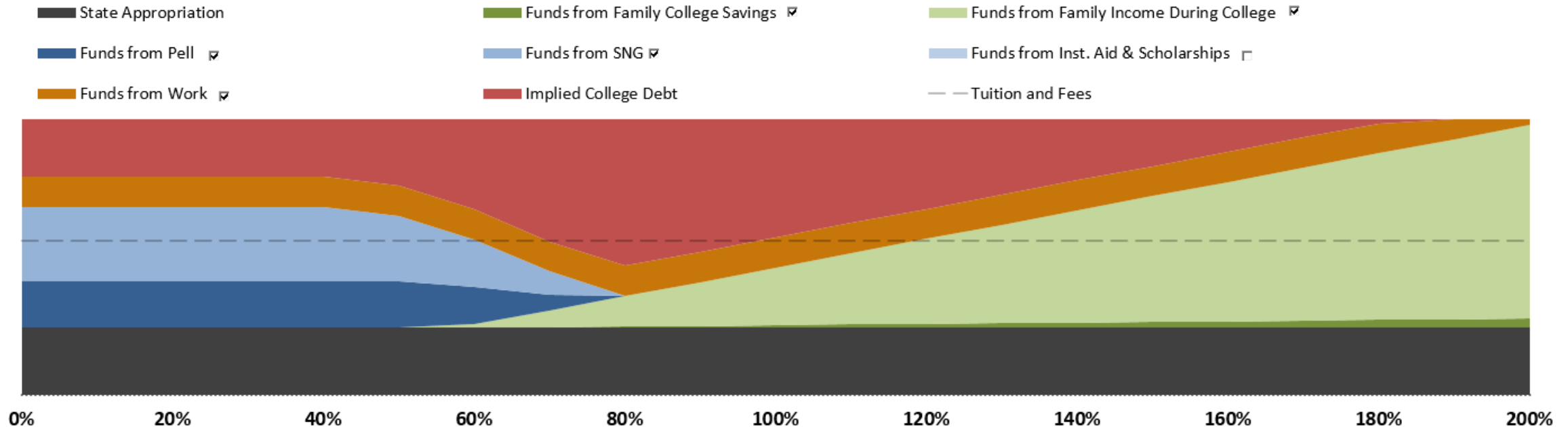
- 500 hrs worked
Annual take-home pay is \$3,681
- 9.26 \$/hr base pay
- 0.0% Student debt ratio

POLICY CHANGE

- 14.5% Tuition change Tuition is \$10,599
- 0.0% SNG served change

Policy impact on budgets

Schools: 0.0%
State: 19.0%



Low <-----Family Income-----> High



AFFORDABILITY MODEL – COMMUNITY COLLEGE, LIVING AT HOME, 2014

FAMILY'S SHARE

- 20% Discr. income annually during college
- 200% Family income exclusion threshold
- 4 Years of saving
- 1% Discretionary income saved annually
- 1.0% Interest on savings

STUDENT'S SHARE

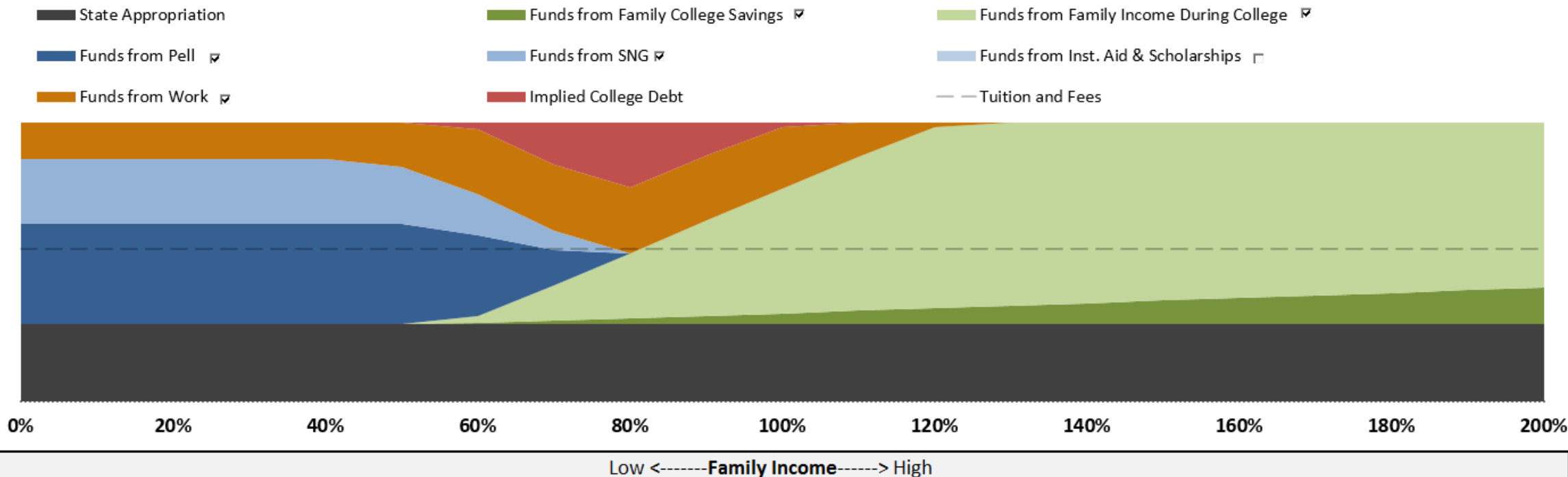
- 500 hrs worked
Annual take-home pay is \$3,681
- 9.26 \$/hr base pay
- 0.0% Student debt ratio

POLICY CHANGE

- 0.0% Tuition change Tuition is \$4,233
- 0.0% SNG served change

Policy impact on budgets

Schools: 0.0%
State: 0.0%





AFFORDABILITY MODEL – COMMUNITY COLLEGE, LIVING AT HOME, 2017

FAMILY'S SHARE

- 20% Discr. income annually during college
- 200% Family income exclusion threshold
- 4 Years of saving
- 1% Discretionary income saved annually
- 1.0% Interest on savings

STUDENT'S SHARE

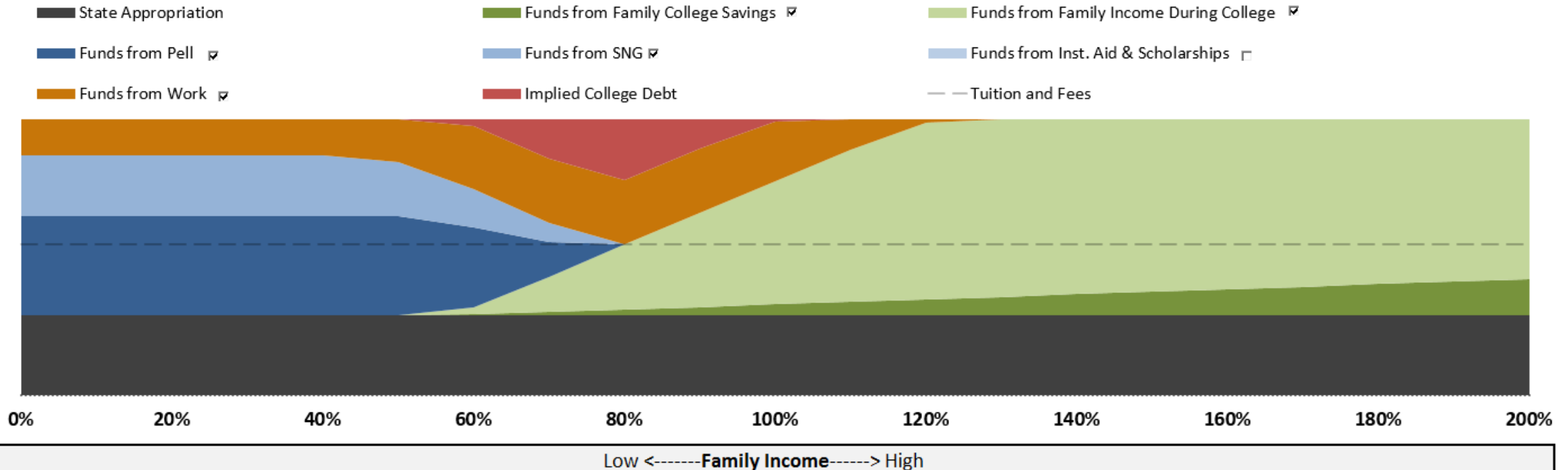
- 500 hrs worked
Annual take-home pay is \$3,681
- 9.26 \$/hr base pay
- 0.0% Student debt ratio

POLICY CHANGE

- 5.0% Tuition change Tuition is \$4,021
- 0.0% SNG served change

Policy impact on budgets

Schools: 0.0%
State: -4.6%





NEXT STEPS IN AFFORDABILITY FRAMEWORK

We've assembled data on affordability from a variety of sources and will continue to monitor and report:

- Changes in total cost
- Changes in aid, whether state, federal or institutional
- Debt levels for Washington students

What we need to do next is set thresholds.

- At what level of student work is too much; at what point does work interfere with educational attainment?
- What level of education debt is too much?



EXAMPLE THRESHOLDS

Lumina Foundation's "Power of 10"

- An example of a framework with thresholds for work, savings and debt
- Families save 10% of discretionary income for 10 years
- Students work 10 hours per week while in school

ASUW Students' Meet Us in the Middle

- Family contribution capped at an amount equal to 20 hours/week of student work during school and 40 hours of work during summer

SHEEO's Moving the Needle

- State Higher Education Executive Offices
- Federal Loans capped at 15% of a graduate's discretionary income and a term of 10 years



Continue the conversation

Rachelle Sharpe

rachelles@wsac.wa.gov

Marc Webster

marcw@wsac.wa.gov