

## Committee for Funding and Affordability (CFA)

The Committee for Funding and Affordability will address issues related to state funding policy, tuition policy, student financial aid, and college savings. This includes the three Roadmap actions below.

### Action Items:

- Make college affordable.
- Ensure cost is not a barrier for low income students.
- Help students and families save for postsecondary education.

### Scheduled Meeting Times

Thursday, May 21, 2015

**Thursday, July 16, 2015 – 1:30-3:30 PM**

Wednesday, September 23, 2015

Thursday, December 10, 2015

### Stakeholder Members

JoLynn Berge, OSPI  
 Tom Fitzsimmons, ICW  
 Denise Graham, SBCTC  
 Nova Gattman, WTECB

### WSAC Members

**Council:** Marty Brown, Maud Daudon, Paul Francis, Karen Lee  
**Staff:** Marc Webster, Rachelle Sharpe

ATTENDEES: PAUL FRANCIS, MARC WEBSTER, RACHELLE SHARPE, ALAN HARDCASTLE, RANDY SPAULDING, HAILEY BADGER, TOM FITZSIMMONS, DENISE GRAHAM, KAREN LEE (PHONE), MARTY BROWN (PHONE), VI BOYER, JULIE GARVER, JOLYNN BERGE, ANTONIO SANCHEZ

## AGENDA

### Continue to develop the Affordability Framework (draft handout)

- Brief recap of May meeting, and review of Framework document (20 minutes)
  - Adjustment to the document includes adding a principle that institutions should admit need-blind.
  - As affordability becomes a top priority for the legislature, we are in a window for policy change.
  - Input from committee members on Framework draft:
    - Consider making language in the “purpose” section more positive – instead of “reduce volatility in tuition increases, curb student debt”
    - Bullet point that says each public educational pathway is affordable for students... is that too optimistic?
    - Get rid of target for state share of total cost
- Review affordability metrics (40 minutes)

- Setting a goal for tuition levels – is this useful? Most agree that it is not, since tuition is just a small part of the whole picture.
- Discussion about how to best display and label data
  - Change “commuter” student classification to “independent”
  - State share of *operating* cost may be a more accurate and understandable label than “total cost”
- Is there a goal for state-student share of operational cost? How does the chart change when we account for state funding that goes into state aid (i.e., to paying tuition)?
- Should we incorporate per student funding? Is there a correlation between state share + per student funding? Paul says there is not a strong relationship.
- Model update discussion with Jim Fridley (20 minutes)
  - Model now includes state funding, and can incorporate changes in tuition and state support
    - One important shortfall of the model is that it shows an ideal picture of higher education funding. It fails to accurately represent the situation for the many students who qualify for but do not receive the state need grant; some students in the low-income range of the chart do not have the funding that the model indicates they do.
  - How best to use this in September?
    - The model should be used to illustrate a set of recommendations; it can show our current situation vs. the situation over the last two years vs. the “ideal” situation, if WSAC staff can come up with one.
      - The recommendations could be addressing the level of red in Jim Fridley’s model: e.g, the red should not be greater than x, or something like that.
- (We did not reach this point in the agenda) Discuss September meeting purpose, objectives and which legislators to invite (15 minutes)
  - We wanted Legislators input on their goals for affordability
  - We wanted to bring them data on the current state of affordability in Washington
- Next steps/prep work for September meeting (10 minutes)

## AFFORDABILITY FRAMEWORK – DRAFT 7.16.15

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### VISION

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

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### PURPOSE

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The Framework will support policy recommendations that reduce volatility in tuition increases, curb student debt, and increase investments in postsecondary education.

The Framework will support decisions that make postsecondary education more affordable by:

- Coordinating funding provided for appropriations, tuition and financial aid.
- Understanding the impact of funding and policy decisions on students.
- Evaluating whether new proposals help the state reach affordability goals.
- Accounting for the role of the federal government, institutions, state, and private funders.
- Connecting affordability related data from across sources.
- Communicating to policy makers, opinion leaders and students and families related to postsecondary affordability.

The Framework is not a prioritized list of expenditures or coordination of budget requests.

*The pricing and financial aid systems should be simplified and made more transparent and predictable. Clear and comprehensive information should be easily accessible to students and families. (Baum/Schwartz, 2014) “The pricing and financial aid systems should be simplified and made more transparent and predictable. Clear and comprehensive information should be easily accessible to students and families. (Baum/Schwartz, 2014)*

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## PRINCIPLES

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- Affordability is viewed from the perspective of students and families.
- The State ensures affordable access to high-quality instruction through coordinated funding to public institutions, tuition policy, and financial aid policy.
- All students and their families are responsible for sharing in the cost for their education.
- Institutions should admit students without regard to ability to pay.
- The financing methods used differ by income level of students and families.
- The full cost of attendance is considered in addressing affordability.
- Policies support stable and predictable public tuition.
- Sufficient funding to institutions improves student success.
- Institutions will continue to play a critical role in addressing affordability.
- Each public educational pathway is affordable for students.
- A reasonable amount of student work supports student success.
- Families receive early high quality information about financing options.

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## OBJECTIVES

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- Determine how to **measure** affordability.
- Define the **current level** of affordability.
- Develop parameters to define **reasonable levels** of debt and work.
- Define the state's affordability **goals**.

*If affordability is defined as alignment between cost of education and available resources, then it might also be helpful to develop a scale or spectrum for assessing how affordable higher education is for a given student or group of students. Such a spectrum, instead of a simple opposition between “affordable” and “not affordable”, could help clarify and prioritize problem areas and avoid polarizing the debate. (Johnson, 2014)*

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## MEASURING AFFORDABILITY AND COMPARING TO TARGETS

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The following is a set of high-level affordability metrics to attempt to provide information on the current status of affordability in Washington, how it compares historically, and whether it meets a reasonable threshold of affordability.

Once individual metrics are evaluated for progress toward affordability, the Committee will develop suggested Targets on each measure for consideration with a larger group of Policymakers in September 2015.

All data are provided for the most recent year available and by sector. Where available, the data will be provided by income and dependency status. Historical trends will be provided for the September meeting as well.

MEASURE	METRIC	DATA NOTES	SUGGESTED TARGETS
<b>Cost</b>	Public Tuition and Fees		<i>Tuition and Fees below X% of WA family income</i>
	Cost of Attendance	Using WFAA versus published. Varies by living situation.	(tied to T/F target) <i>Commuter for state policy that connects to non-tuition expenses</i>
	State Share of Total Cost	Public only.	<i>Public 4-Year: COP proposal is 50/50</i> <i>Public 2-Year:</i>
<b>Aid</b>	Net Price	(COA – grant aid)/aid recipients. Using IPEDs – will use Unit Record.	
	Unmet Need	Gap before loans. Need – minus non-loan aid.	<i>Gap below the Stafford loan caps.</i>
<b>Student Options</b>	Annual student borrowing	All loans except parent loans.	<i>\$6,000 annual student debt?</i>
	Time to Degree	By degree Part-time rates	<i>X% for dependent</i> <i>Y% for independent</i>
	Work Hours	WFAA survey until ESD match conducted.	<i>Maximum 19 hours per week</i>

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## Other Influencing Factors

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There are several factors that influence the affordability of a post-secondary education, but which state higher education policy cannot directly impact. We need to be aware of and responsive to these factors, but they do not drive an affordability policy alone.

- Federal tax credits
- Student loan interest rates
- Minimum wage
- Federal aid policy (Pell)
- Family savings
- Private/Foundation support
- Institutional aid





# Committee on Funding & Affordability

Affordability Metrics | July 16, 2015



WASHINGTON STUDENT  
ACHIEVEMENT COUNCIL  
EDUCATION · OPPORTUNITY · RESULTS



## COST METRICS

- Tuition & Fees
- Cost of Attendance
- State Share of Instructional Cost





## Public Tuition and Fees

	Research Universities	Regional Universities	Comm./Tech. Colleges
Average Rates, 2013-14	\$11,418	\$7,809	\$4,000
Average Rates, 2016-17	\$9,864	\$6,306	\$3,800
Percentage of <i>Median Wage</i> , 2013-14	27.8%	19.0%	9.7%
Percentage of State <i>Median Wage</i> , 2017	22.6%	14.4%	8.7%



## Cost of Attendance – 2015-2016

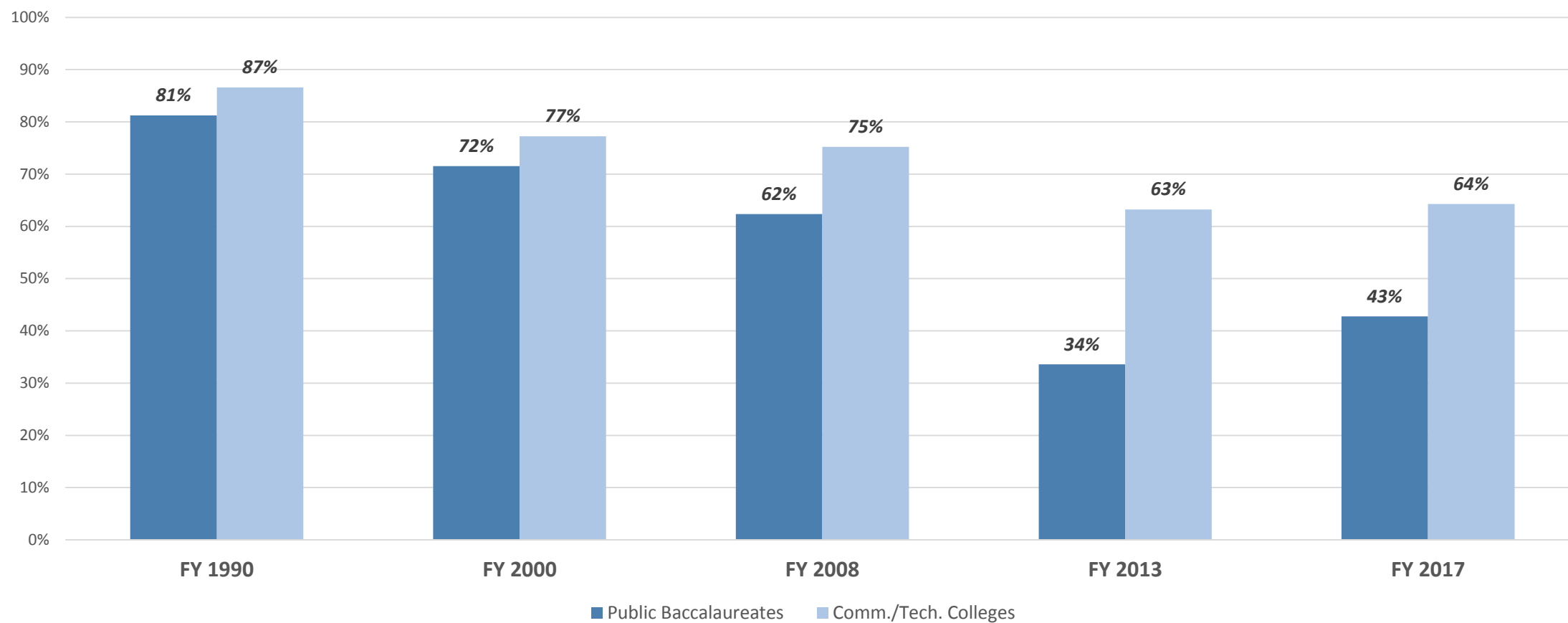
	With Parent	On Campus	Commuter
Tuition & Fees			
Books & Supplies	\$1,050	\$1,050	\$1,050
Room & Board	\$3,270	\$9,780	\$7,620
Transportation	\$1,380	\$1,350	\$1,620
Misc. Expenses	\$1,680	\$1,860	\$1,980
<b>TOTAL</b>	<b>\$7,380</b>	<b>\$14,040</b>	<b>\$12,270</b>

Washington Financial Aid Association Student Budgets 2015-16. [www.wfaa.org](http://www.wfaa.org)



# State Share of Total Cost (State Appropriations + Tuition Revenue)

## State Share of Total Cost



■ Public Baccalaureates ■ Comm./Tech. Colleges  
The Washington Student Achievement Council analysis of  
Legislative Evaluation and Accountability Program data



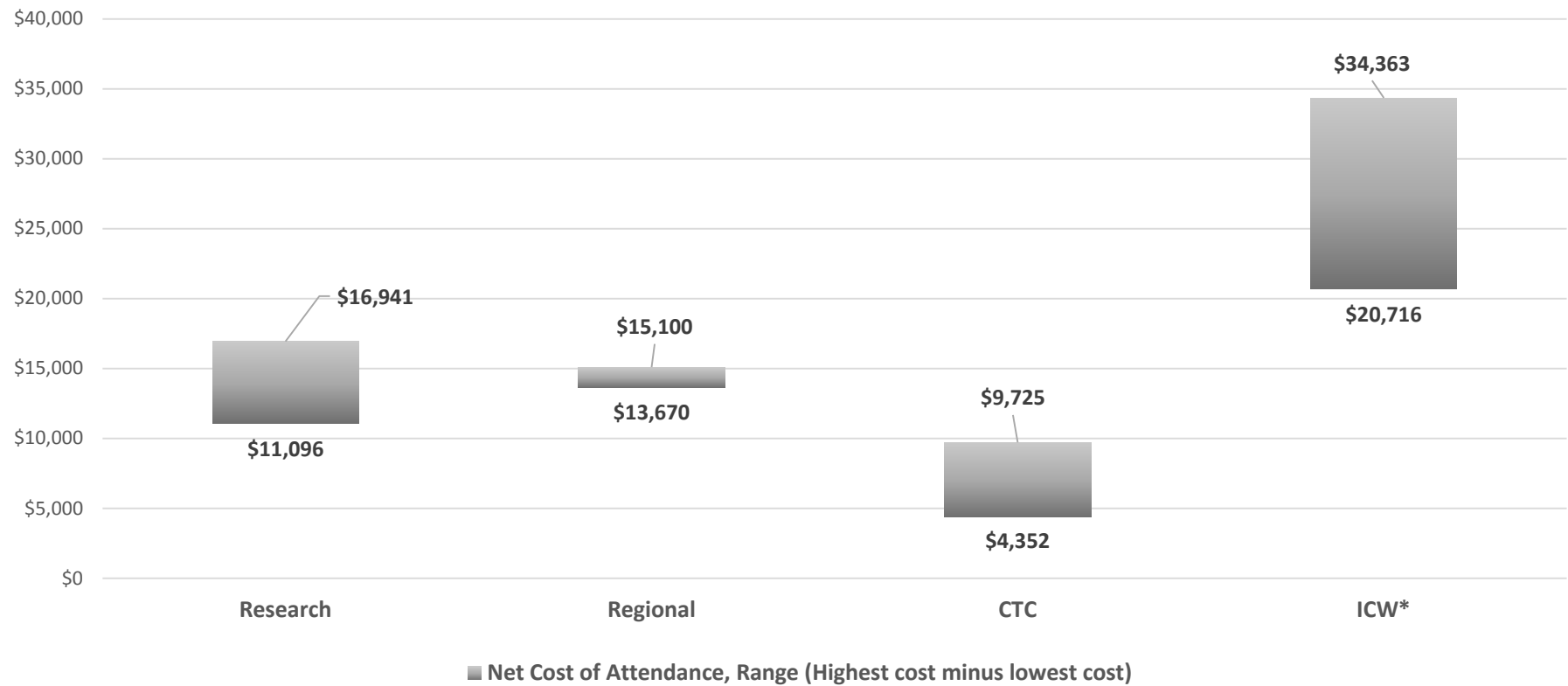
## AID METRICS

- Net Price of Attendance
- Unmet Need



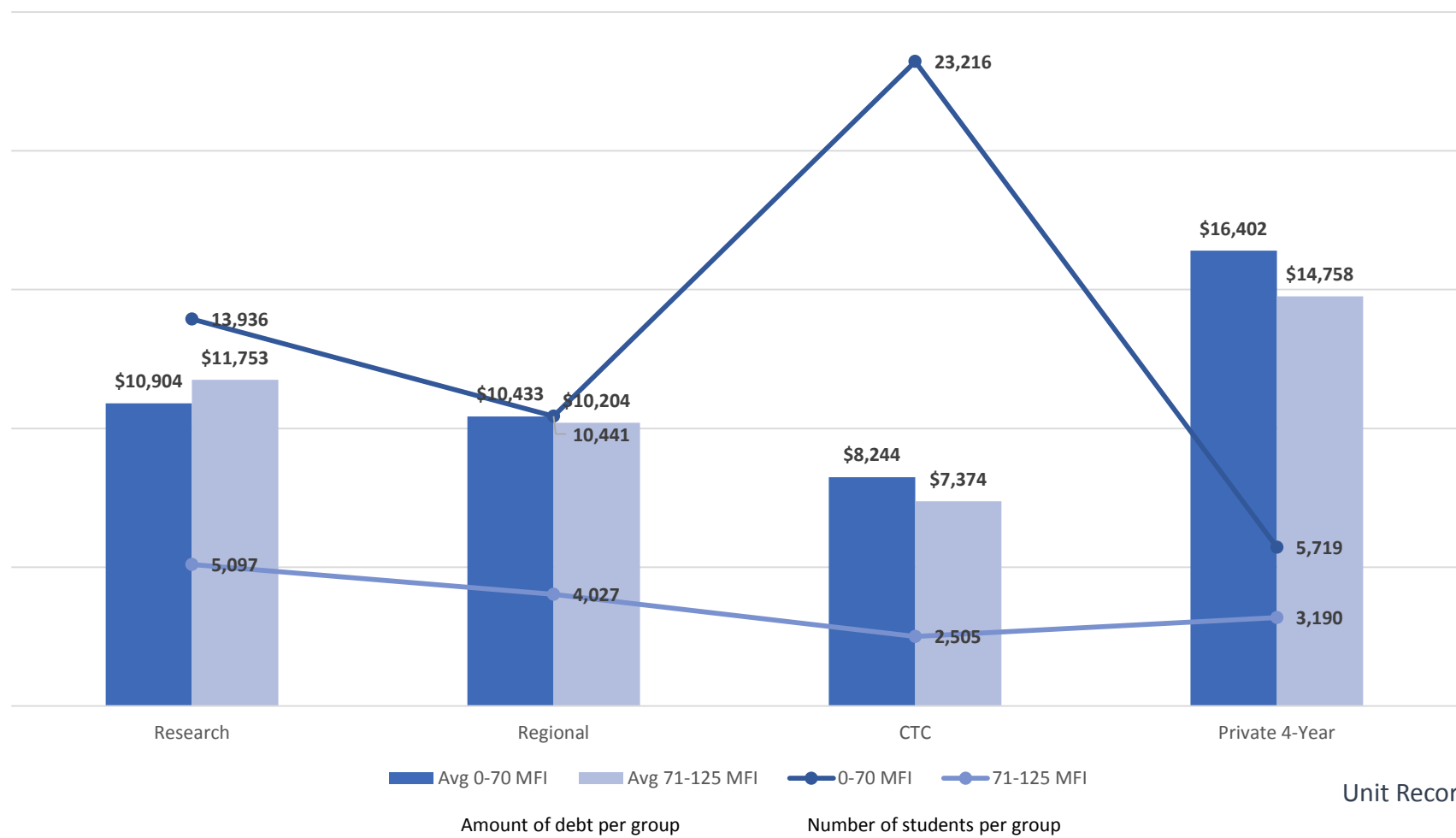
# Net Price of Attendance

Net Price of Attendance, Ranges (by sector)  
*Average net price for students receiving grant or scholarship aid, 2012-13*



\*Heritage University not included; net price info not reported for 2012-13; Data from IPEDS

Average Unmet Need for Resident Undergraduates, 2013-2014





## STUDENT OPTIONS

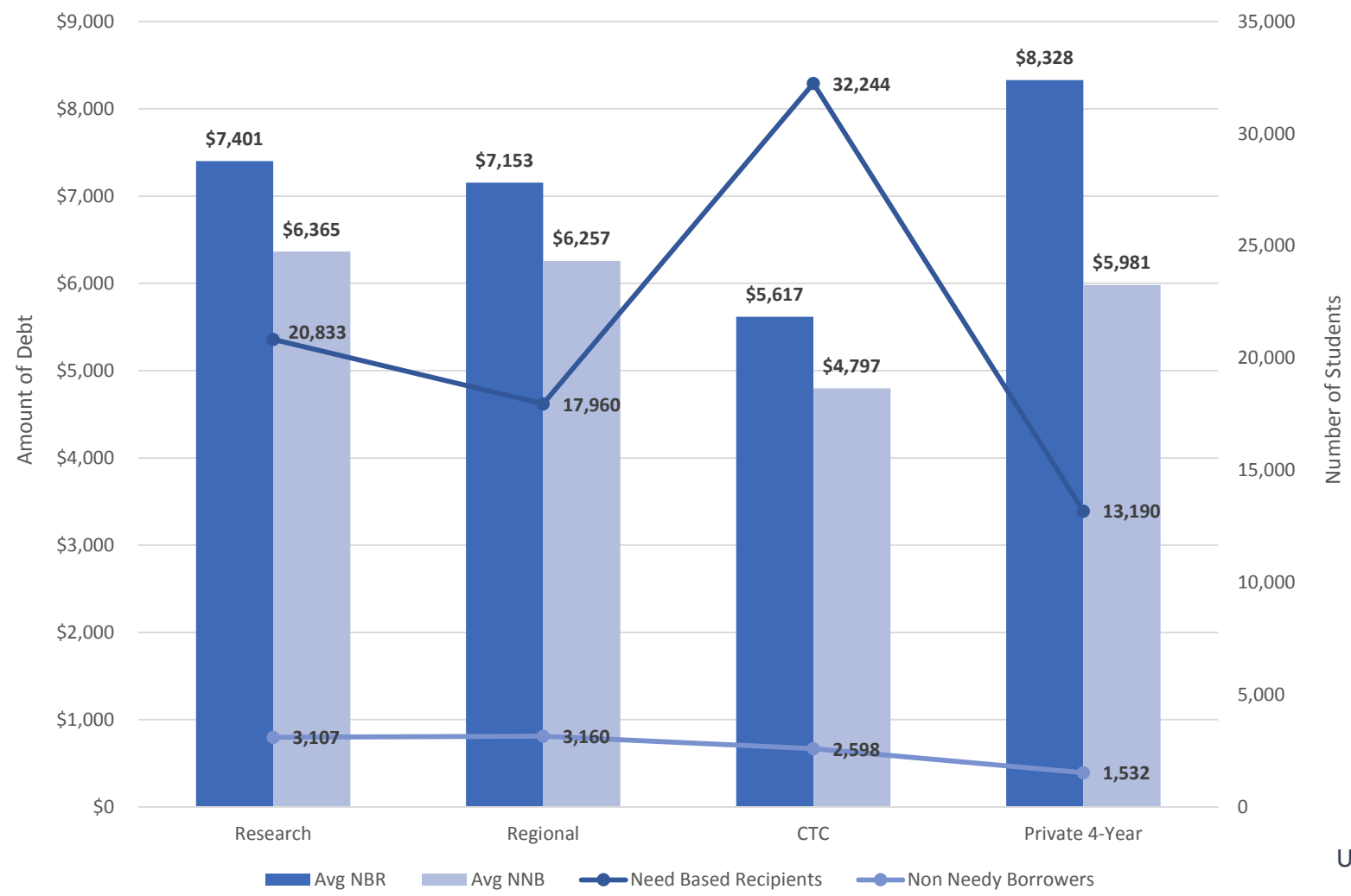
- Student Borrowing
- Time to Degree
- Work Hours





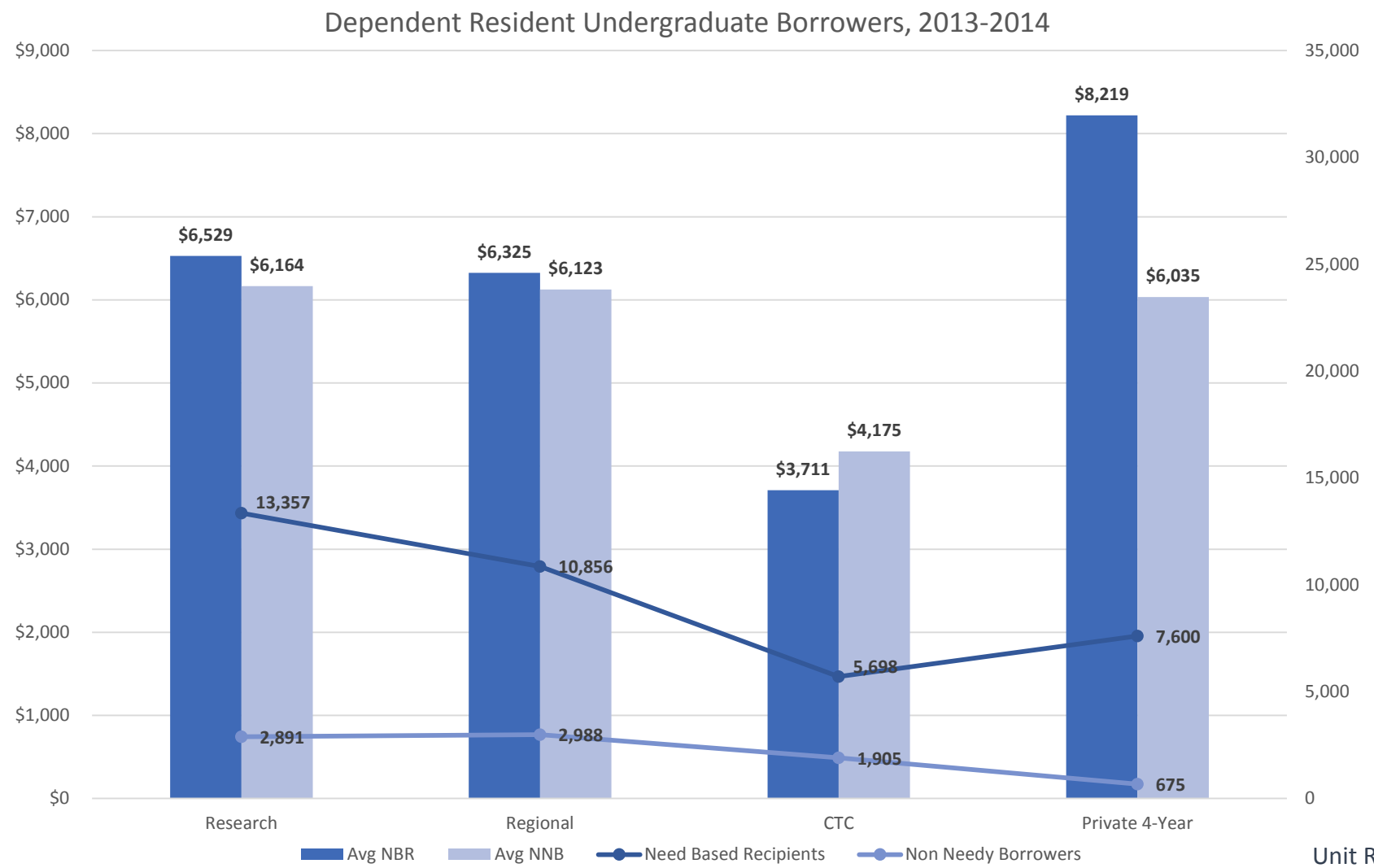
# Annual Student Debt - Total

## Resident Undergraduate Borrowers, 2013-2014





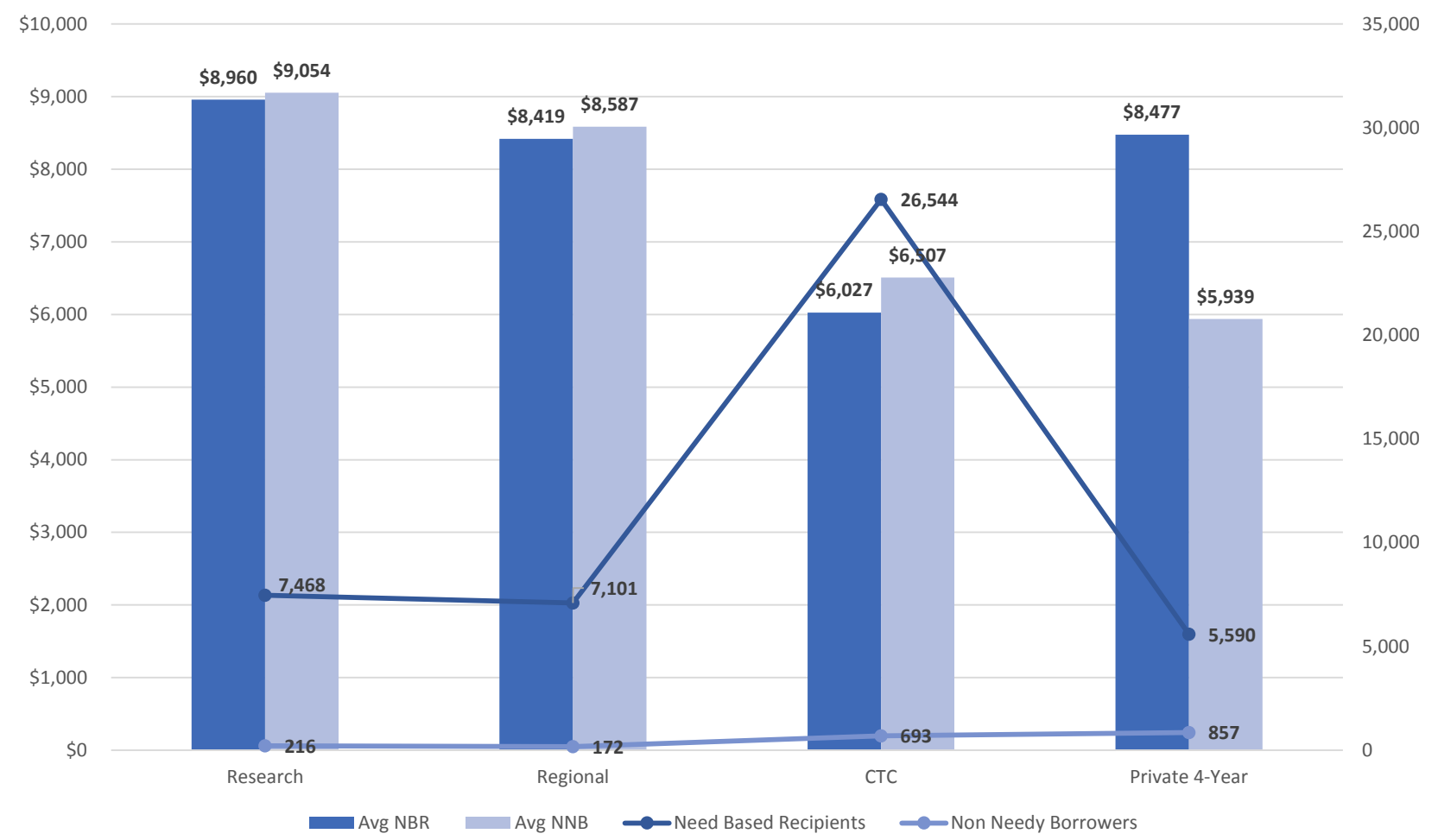
# Annual Student Debt - Dependent Students





# Annual Student Debt – Independent Students

## Independent Resident Undergraduate Borrowers, 2013-2014





## Total Student Debt – by Sector

STUDENT DEBT BY SECTOR		
Institution Type	Average Debt (2013 graduates)	Proportion of Graduates with Debt (2013 graduates)
Research Universities	\$22,360	52%
Regional Universities	\$22,743	59%
Private 4-year	\$29,750	71%
State Average (Public + Private)	\$24,418	58%

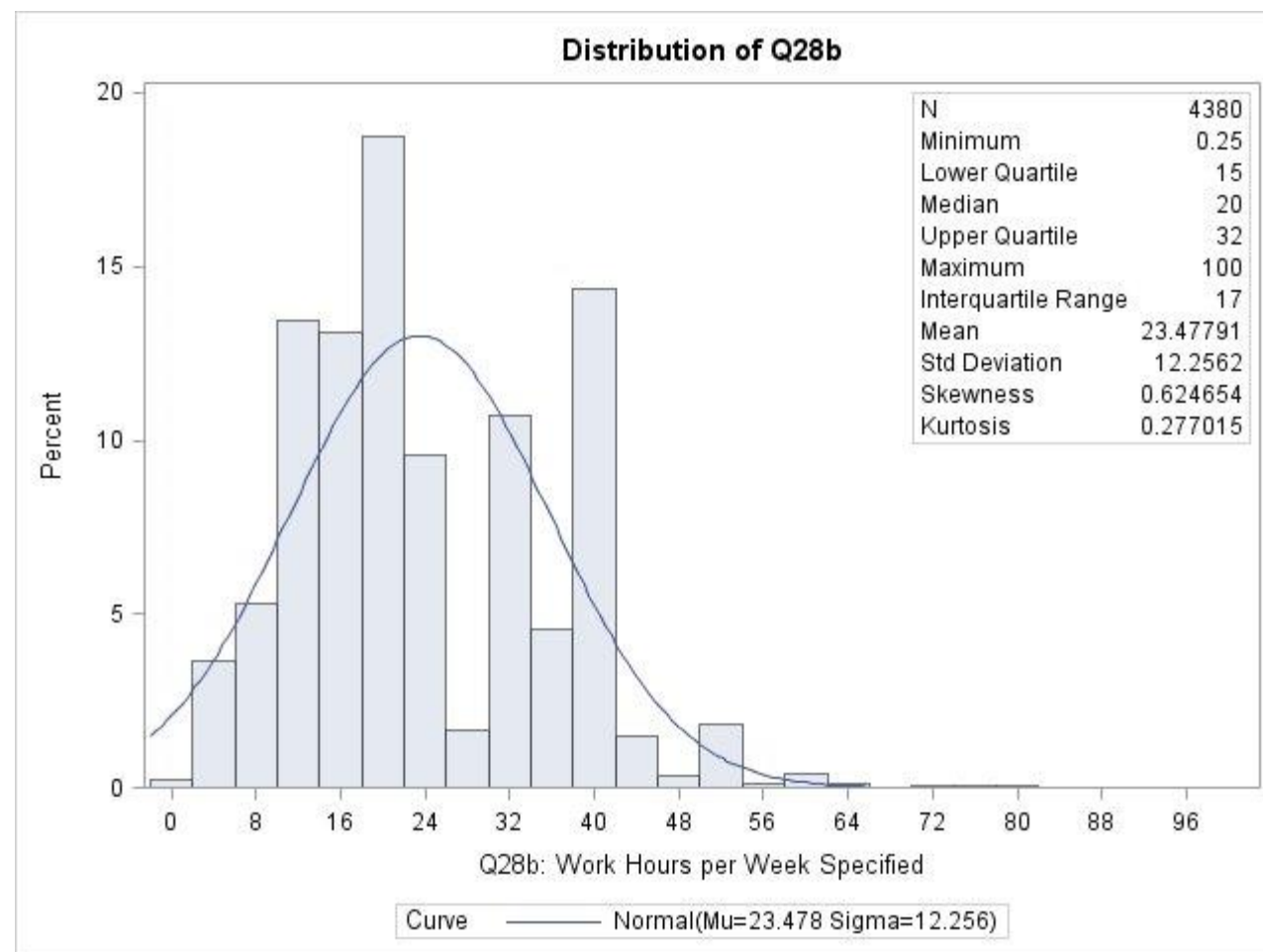
Source: Project on Student Debt – Sector averages computed by WSAC for state aid participating institutions

WFAA survey results May 2015.

Half of all students who were employed while in college worked 20 hours per week or less.

About 44 percent of students worked between 10-20 hours per week.

Around 20 percent of students were working 40 hours or more.





## Two-Year

- TBA

## Public Four-Year

- 4.13 High School Direct
- 2.56 Transfers

## Private Four-Year

- TBA

- 49% of community and technical students attend part-time
- X% of public four-year students attend part-time