



Affordability in Washington

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WASHINGTON STUDENT
ACHIEVEMENT COUNCIL
EDUCATION · OPPORTUNITY · RESULTS



An Affordability Framework

Understanding affordability for Washington students



Recent Interest in Affordability

Tuition
Reduction

Textbooks and Open
Educational Resources

Role of
State Aid

Affordability
Metric Proposals

Federal Financial Aid Policies
Student Loan Policy and FAFSA Simplification



A Washington State Affordability Framework will Help Us



Understand how funding sources interact and impact affordability for students.



Agree on limits for reasonable levels of student debt and work.



Define affordability goals.



Adjust policy levers to make college affordable for all students.



Measure affordability.



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.



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

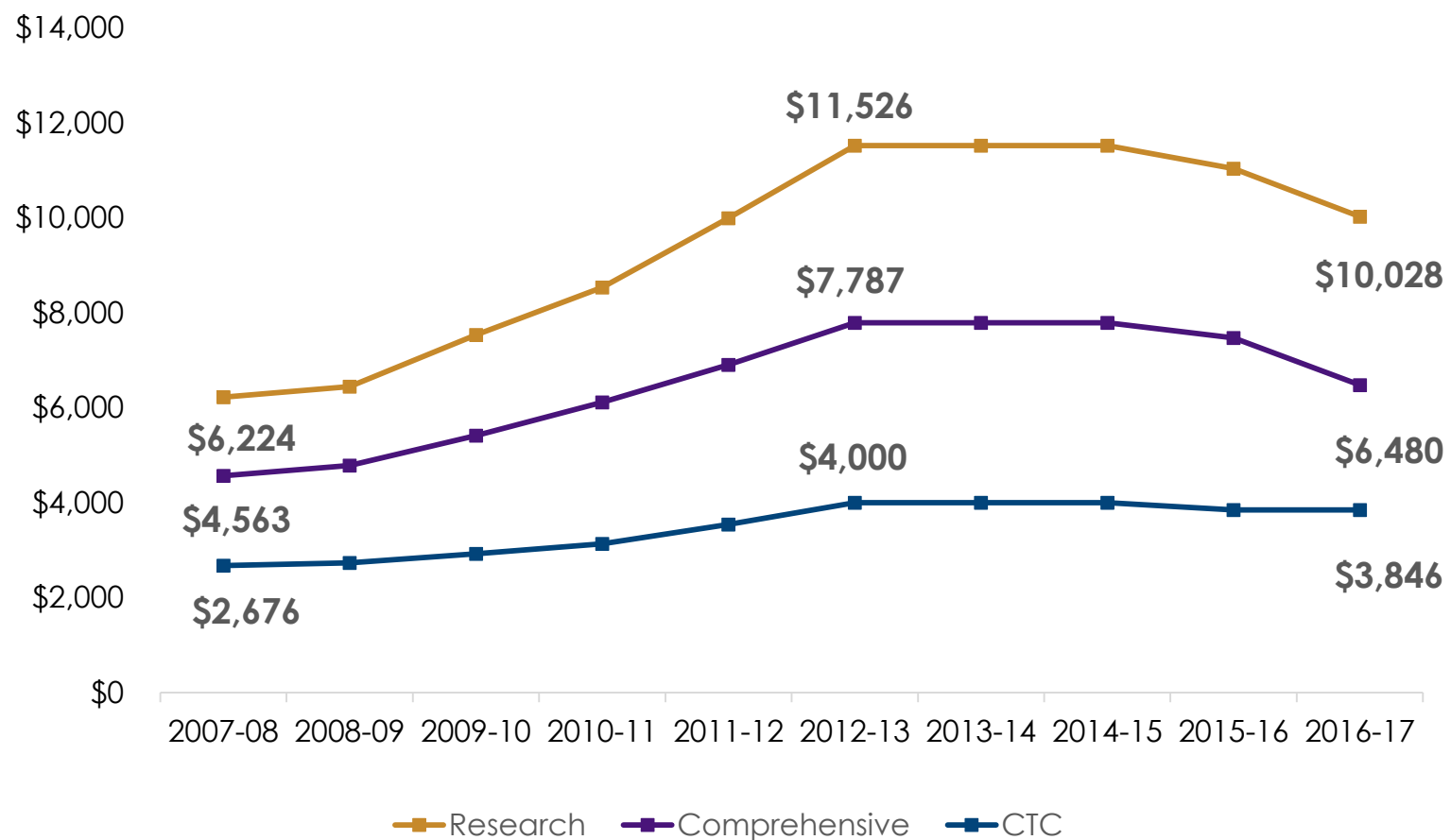
Students then have to decide how to pay for their net costs, the cost remaining after any aid is applied. They can work, borrow, attend part-time, choose different institutions, etc.



Tuition Through the Recession to Current Levels

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

Resident Undergraduate Tuition Rates





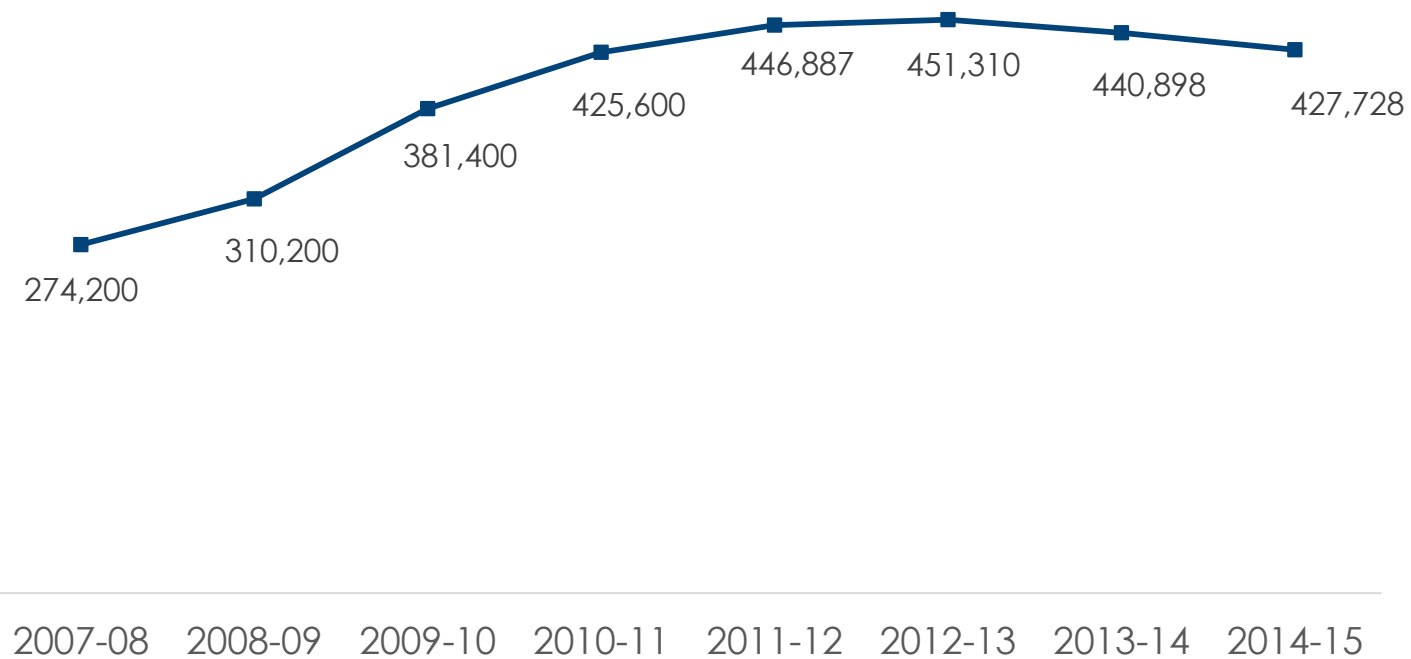
Students Face Costs Beyond Tuition

	Dependent living with parent	Independent living with parent	Not living with parent
Tuition & Fees			
Books & Supplies	\$825	\$825	\$825
Room & Board	\$3,165	\$7,634	\$9,583
Transportation	\$1,140	\$1,485	\$1,125
Misc./Personal	\$1,810	\$1,867	\$2,055
Total	\$6,940	\$11,811	\$13,588



FAFSA Applications Remain High

FAFSA Filing by Washington Residents

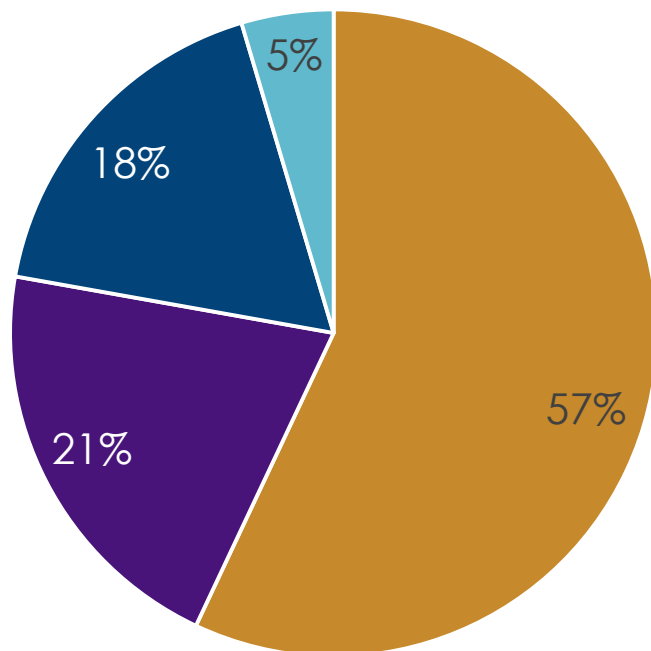


Though tapering, applications for aid have increased 56% since 2007.



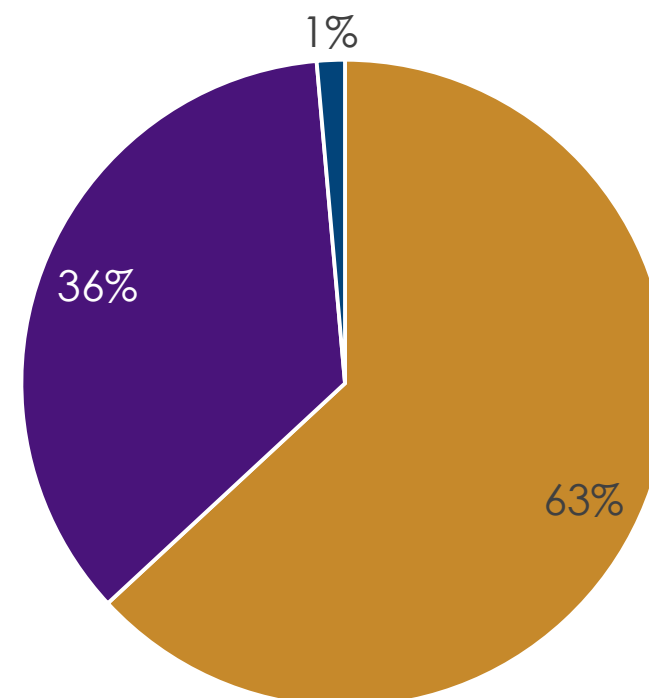
Nearly \$2 Billion in Aid Serving Washington Undergraduates

2014-15 Total Aid by Source



■ Federal ■ State ■ Institutional ■ Other

2014-15 Total Aid by Type

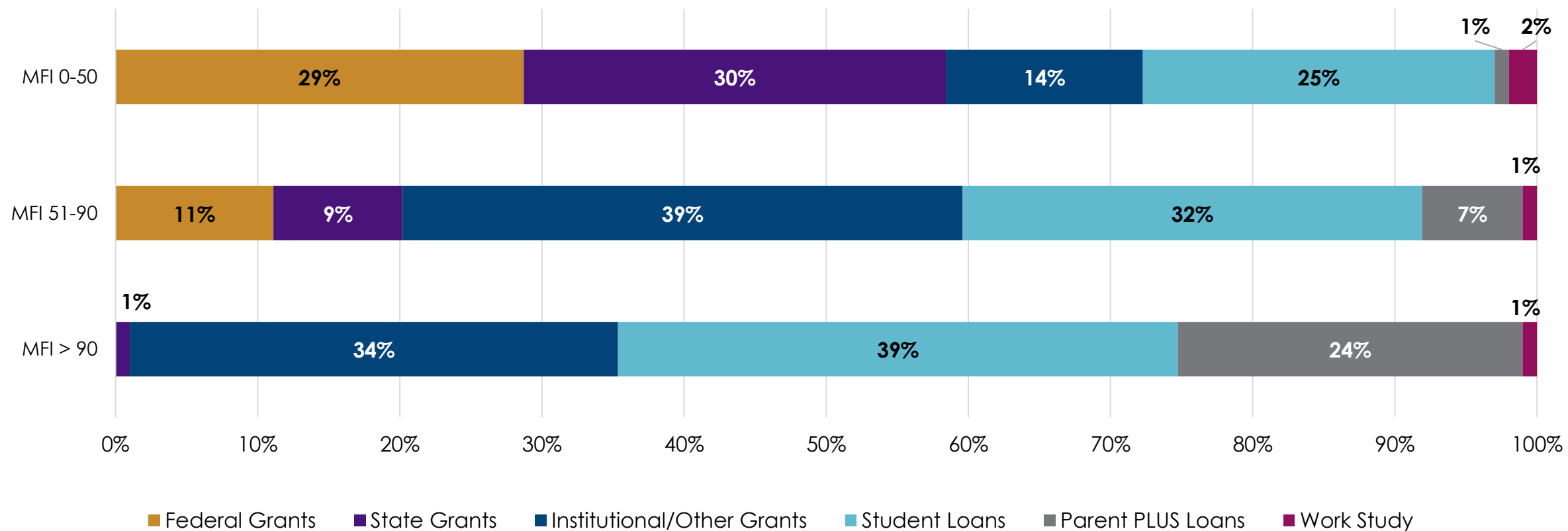


■ Grants/Scholarship ■ Loans ■ Work ■



Portion of Total Dollars by Aid Type Varies by Income

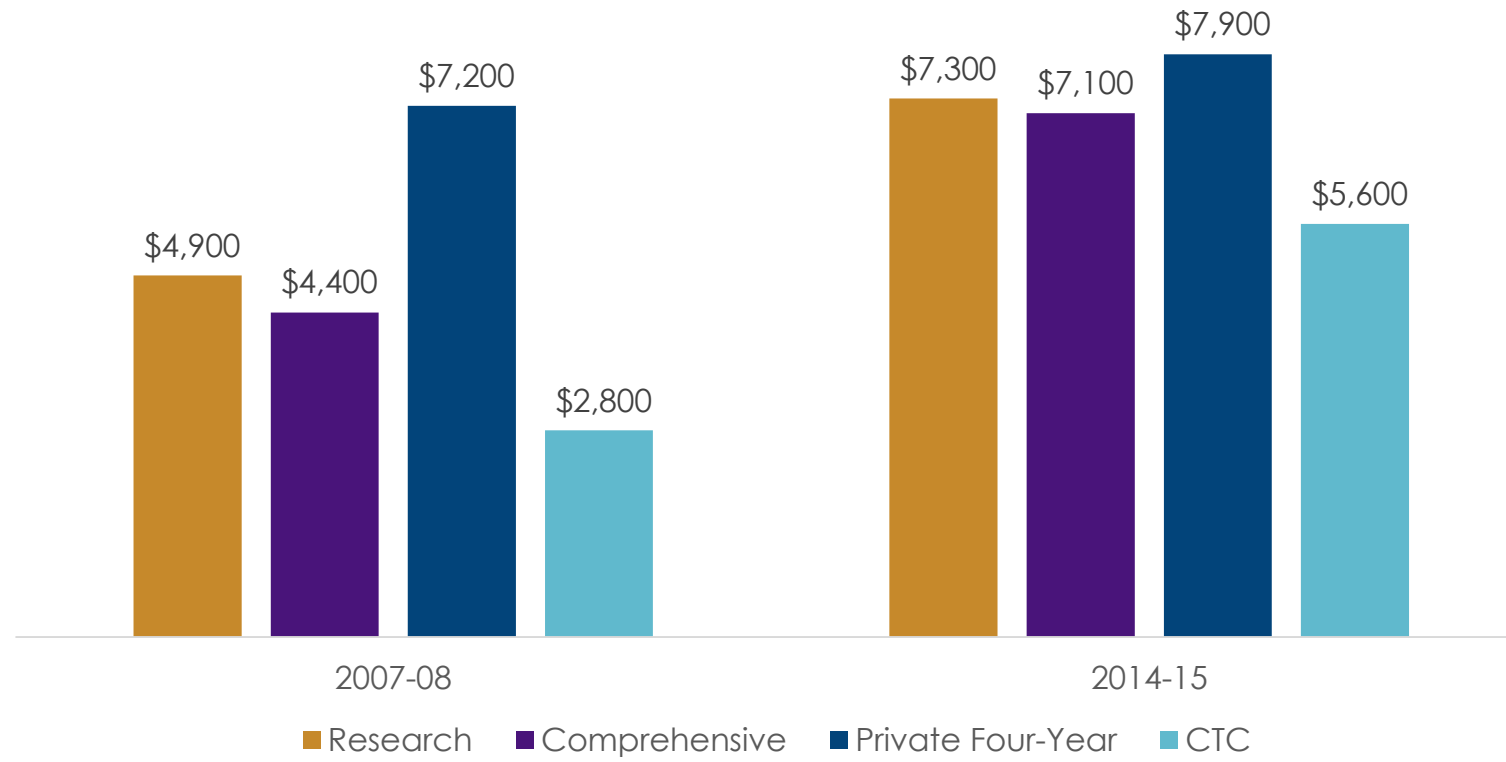
Portion of Financial Aid by MFI 2013-2014





Student Borrowing Increased During the Recession

Resident Undergraduate Borrowers with Need





Parent and Private Loans and Graduate Students

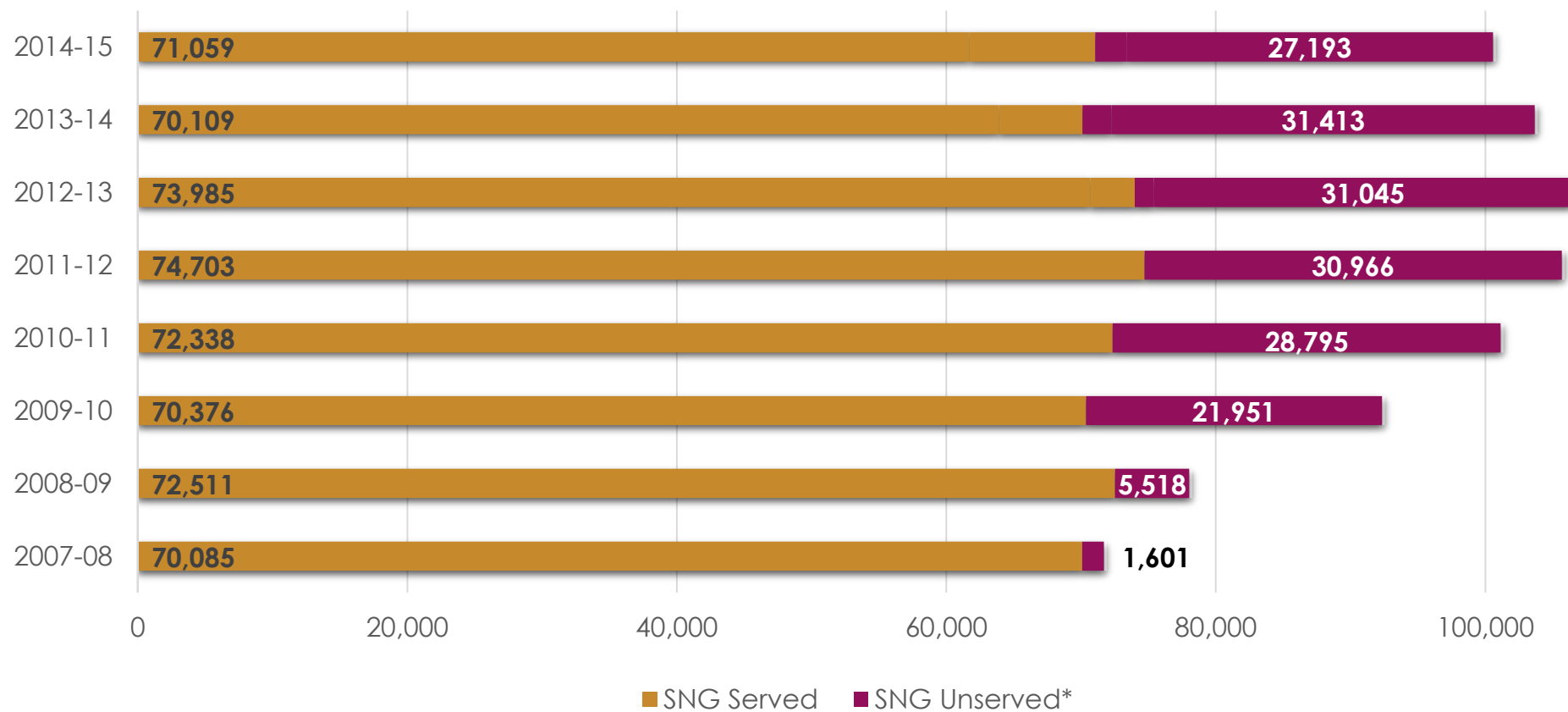
2014-15 Student and Parent Borrowing			
	Total	Average Annual Amount	Students
Resident Undergraduates	\$631 Million	\$6,800	93,400
Parent PLUS (Res. UG)	\$142 Million	\$13,300	10,700
Private Loans (Res. UG)	\$33 Million	\$10,600	3,100
Graduate Level	\$439 Million	\$25,100	17,500



Unserved Student Trend Continues

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

State Need Grant Service Levels

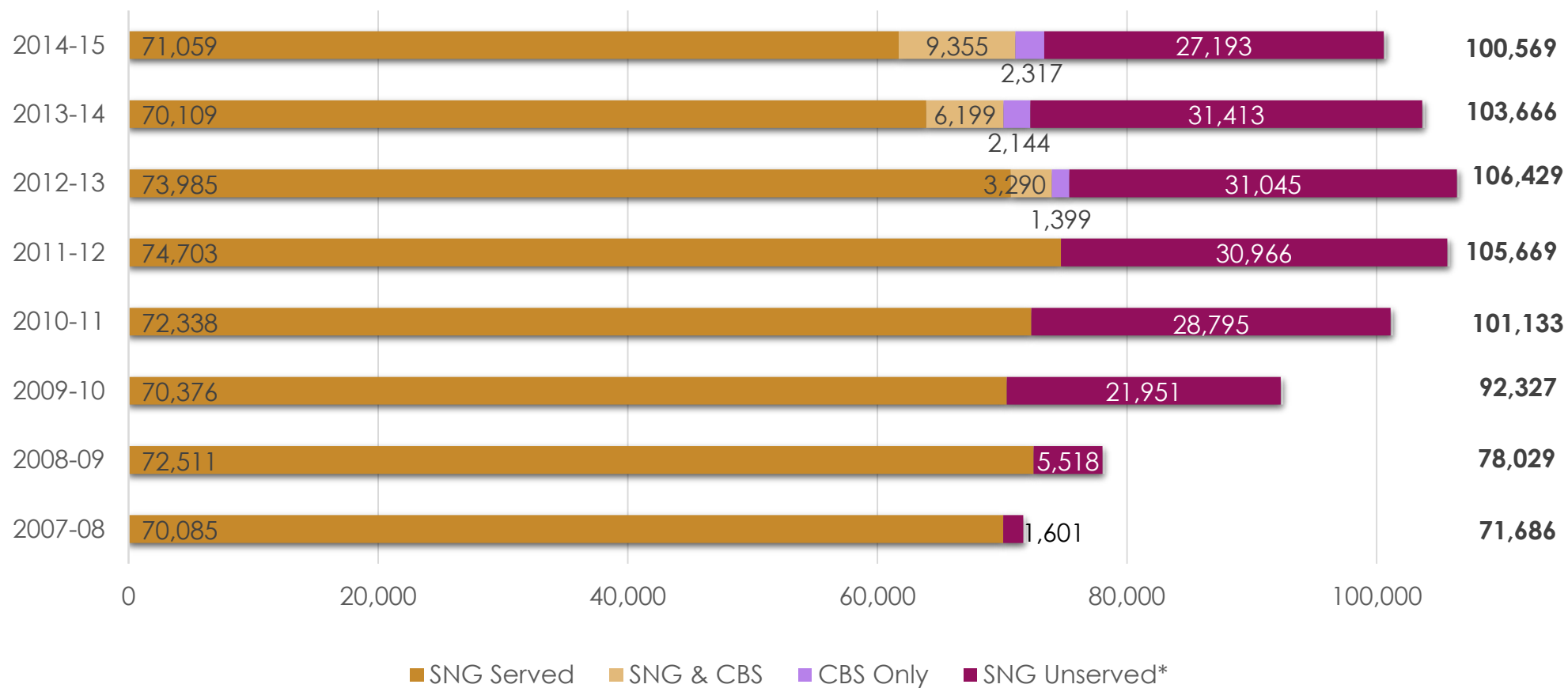




Unserved Student Trend Continues

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

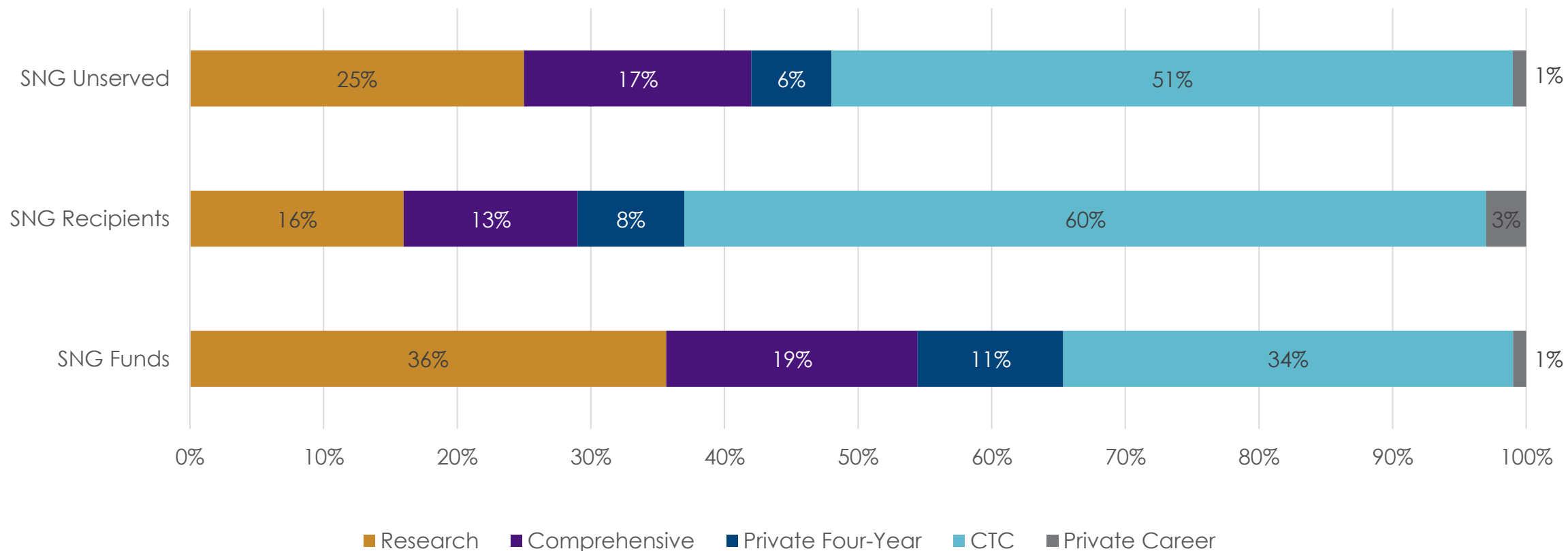
State Need Grant and College Bound Scholarship Service Levels





Dollars are Tied to Award Amounts and Enrollments

State Need Grant Service by Sector 2014-15

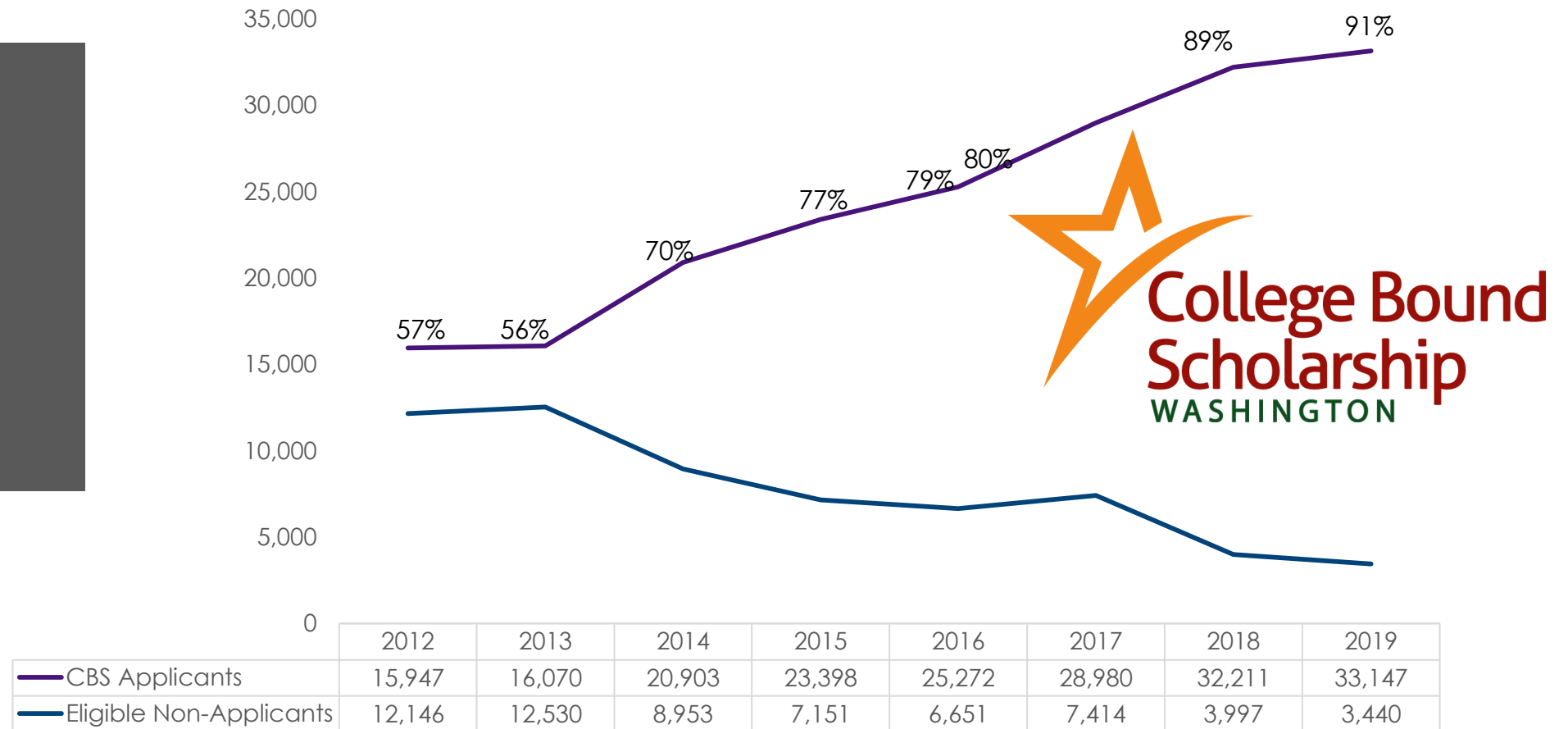




CBS Sign-Up Continue to Increase

Applications up 34 percentage points over seven years.

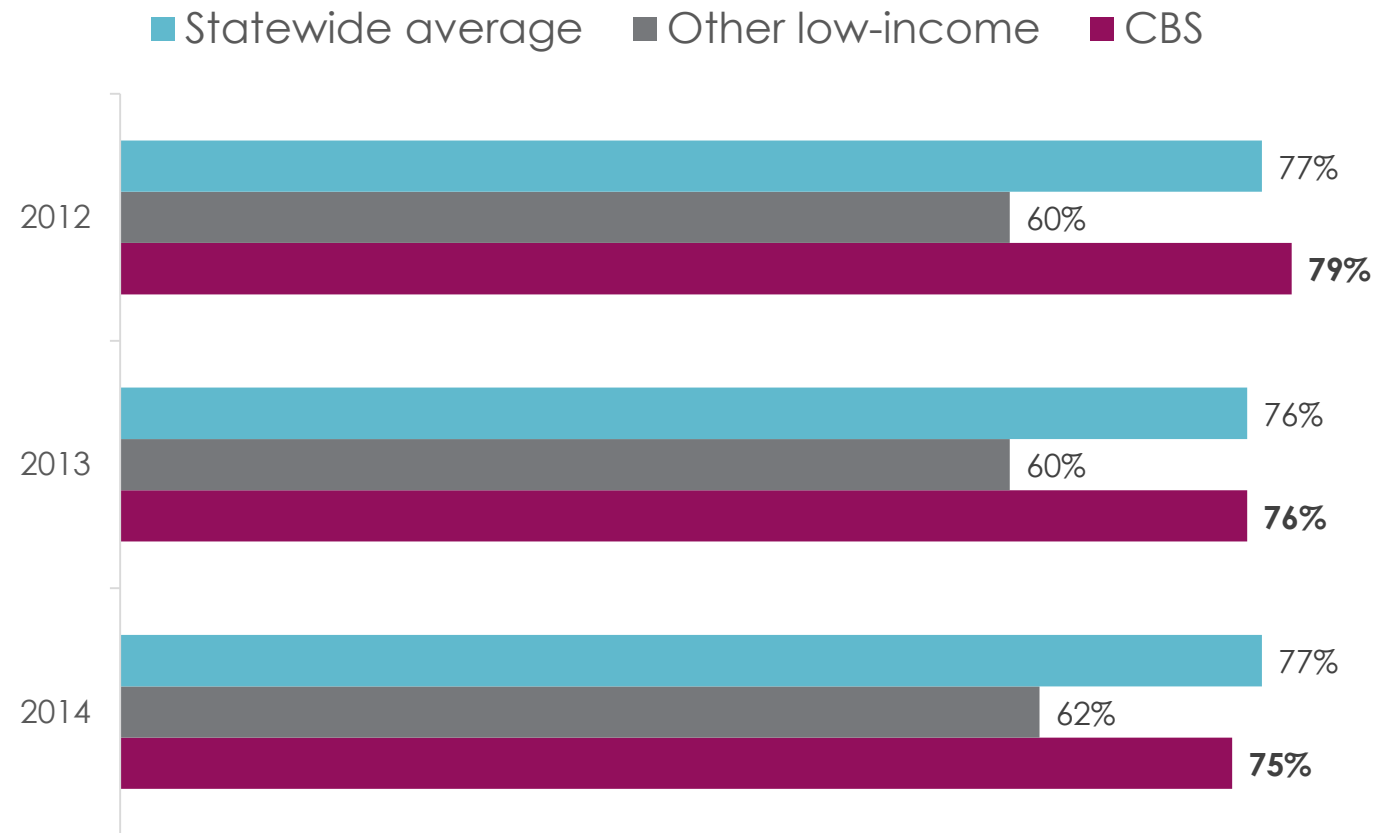
As of January 2016, over 227,000 students have applied.





CBS High School Graduation Rates

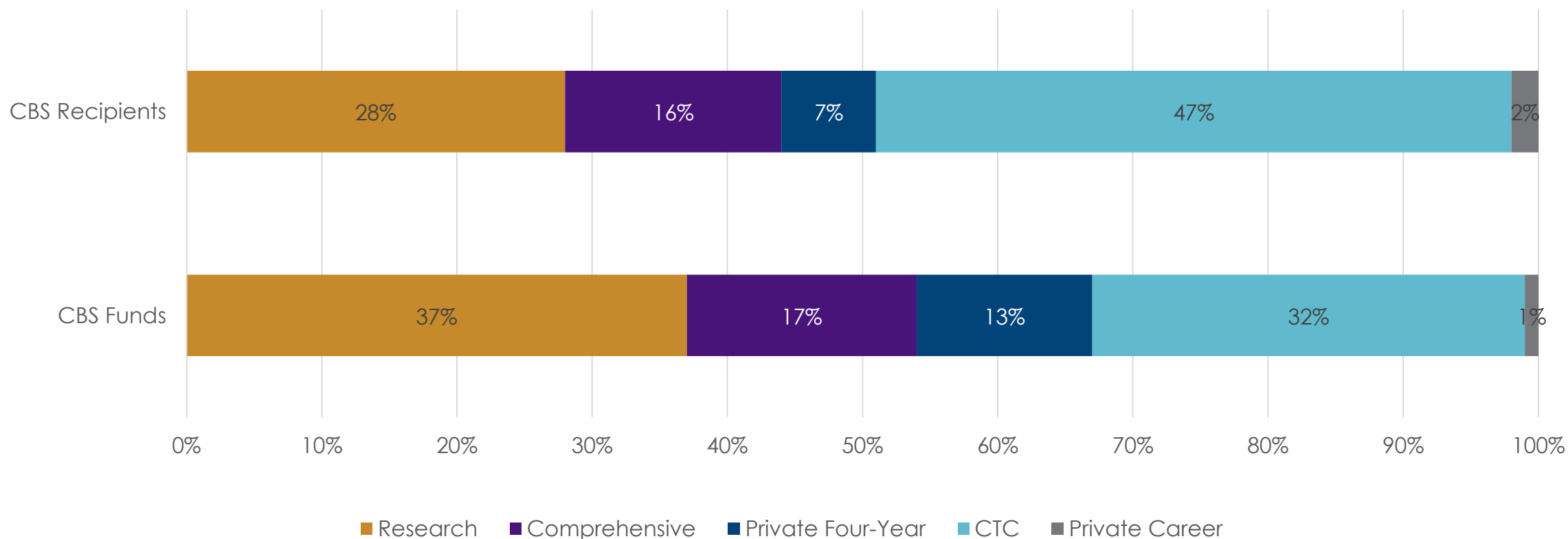
Graduation rates for CBS students are at least ten percentage points higher than that of their non-CBS low-income peers.





Over Half of College Bound Students Are in Four-Year Institutions

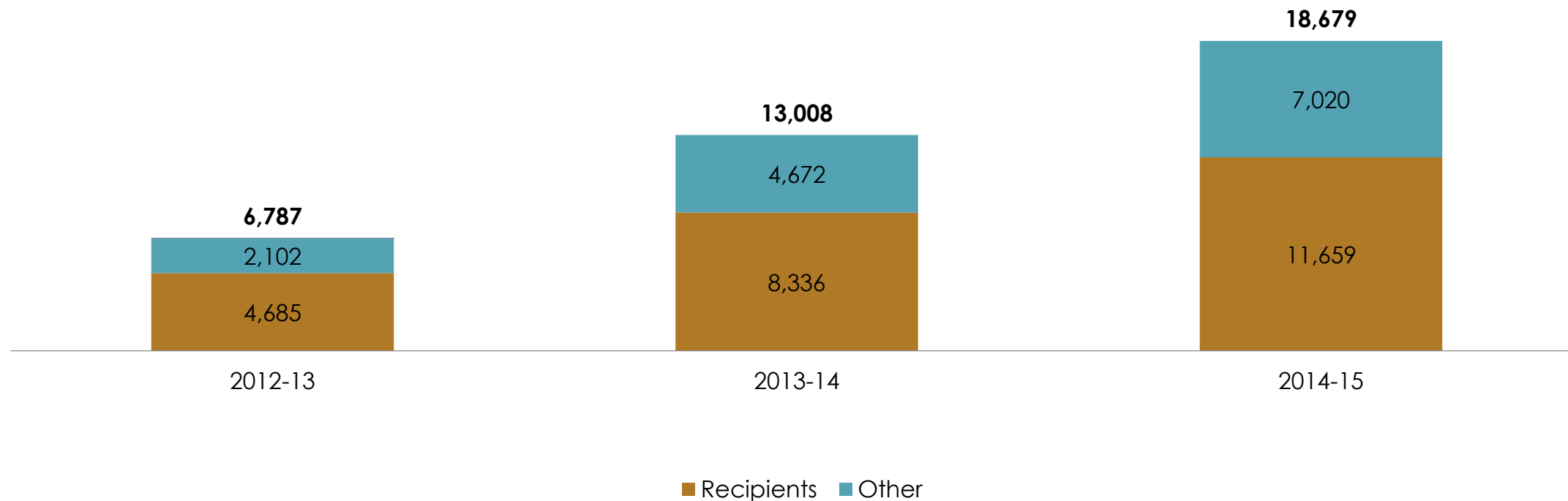
College Bound Service by Sector 2014-15





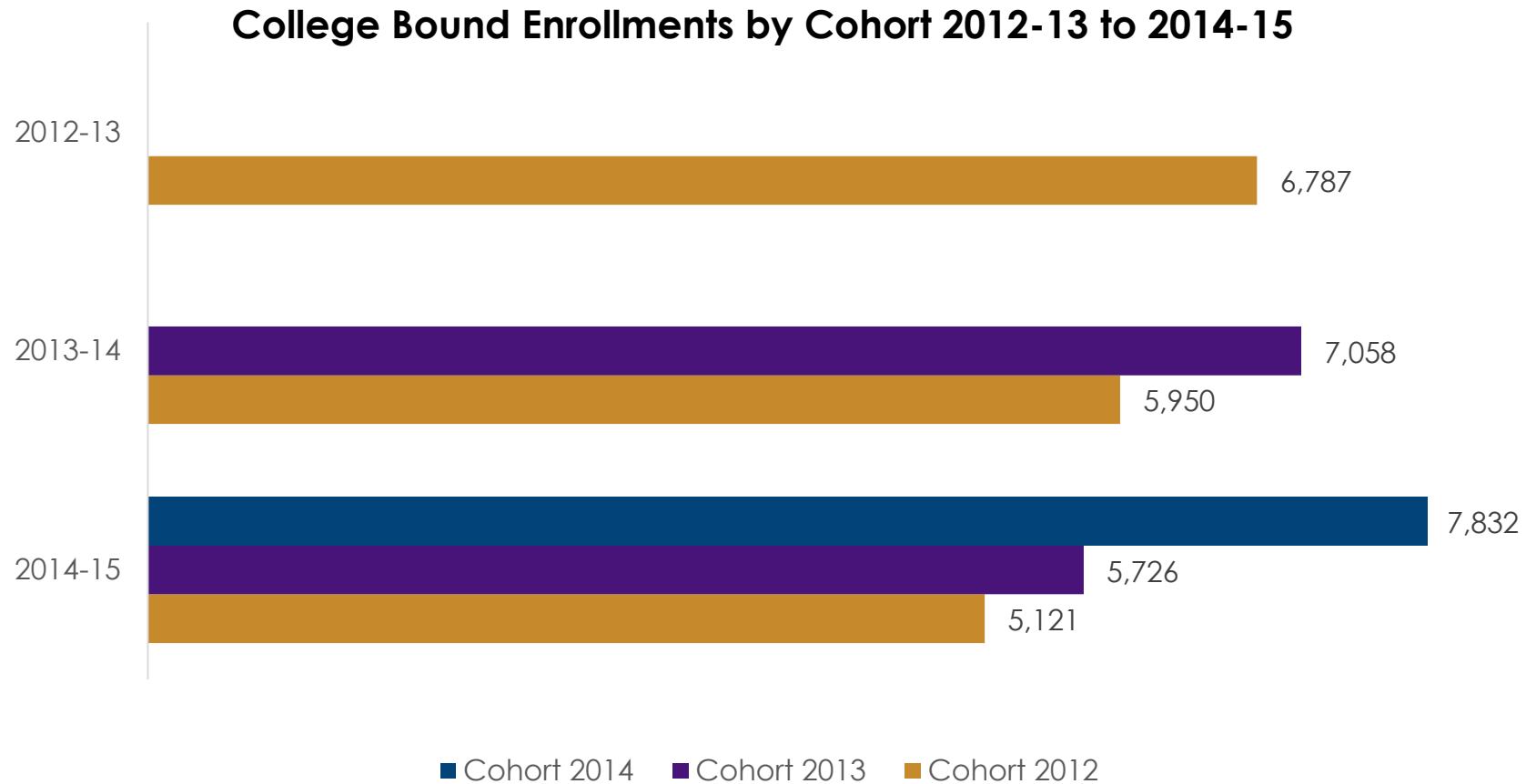
Over 60% of Enrolling CBS Students Receive the Scholarship

College Bound Scholarship Enrollments 2012-13 to 2014-15





College Bound Students Persist as Cohorts Added





WA Access & Affordability Initiatives



the **WashBoard**.org
Smarter Scholarship Matches





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



Setting Affordability Goals

Establishing thresholds for maximum levels of debt and work



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 "Rule 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



Affordability Model – Comprehensive Institution, Living on Campus, 2014

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

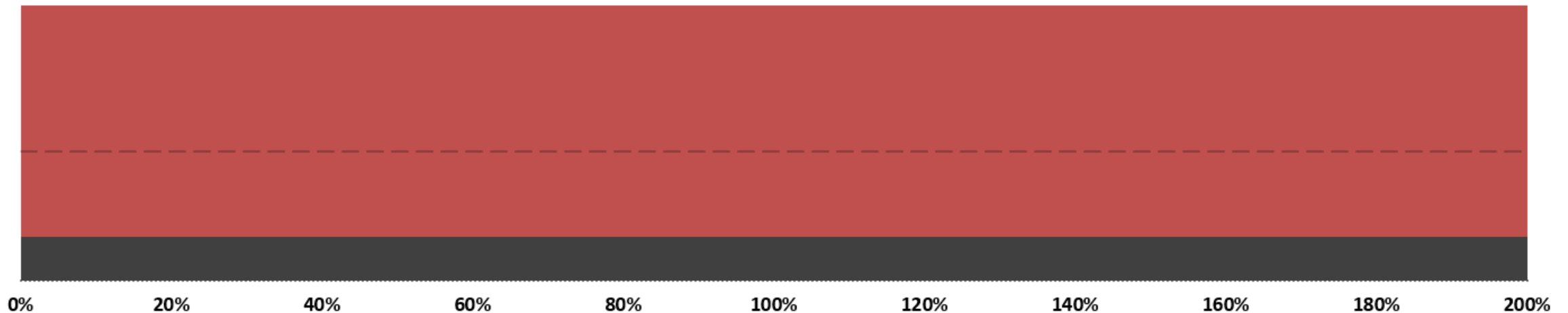
POLICY CHANGE

- 0.0% Tuition change *Tuition is \$8,053*
- 0.0% SNG served change

Policy impact on budgets

Schools: 0.0%
State: 0.0%

- 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

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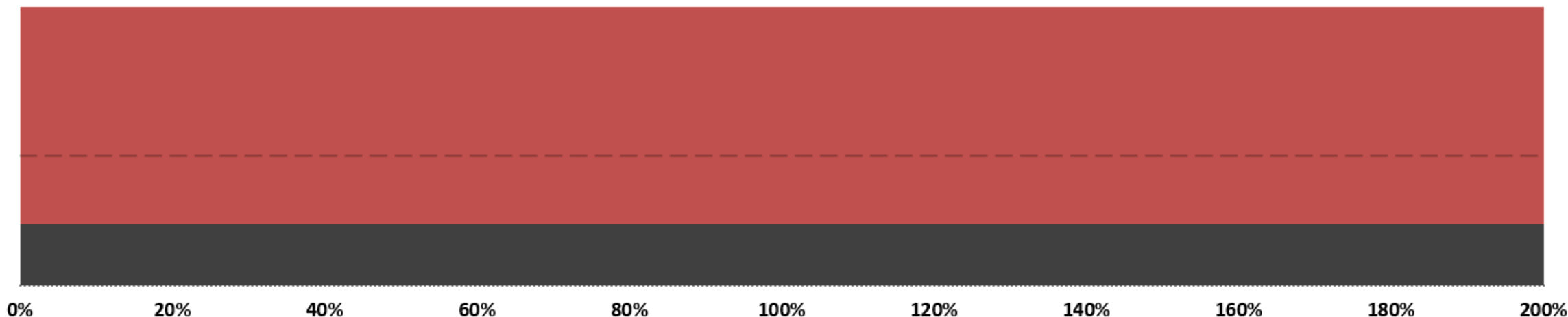
- 500 hrs worked
Annual take-home pay is \$3,681
- 9.26 \$/hr base pay
- 0.0% Student debt ratio

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 Family College Savings
- Funds from Family Income During College
- Funds from Pell
- Funds from SNG
- Funds from Inst. Aid & Scholarships
- Funds from Work
- Implied College Debt
- — Tuition and Fees



0% 20% 40% 60% 80% 100% 120% 140% 160% 180% 200%

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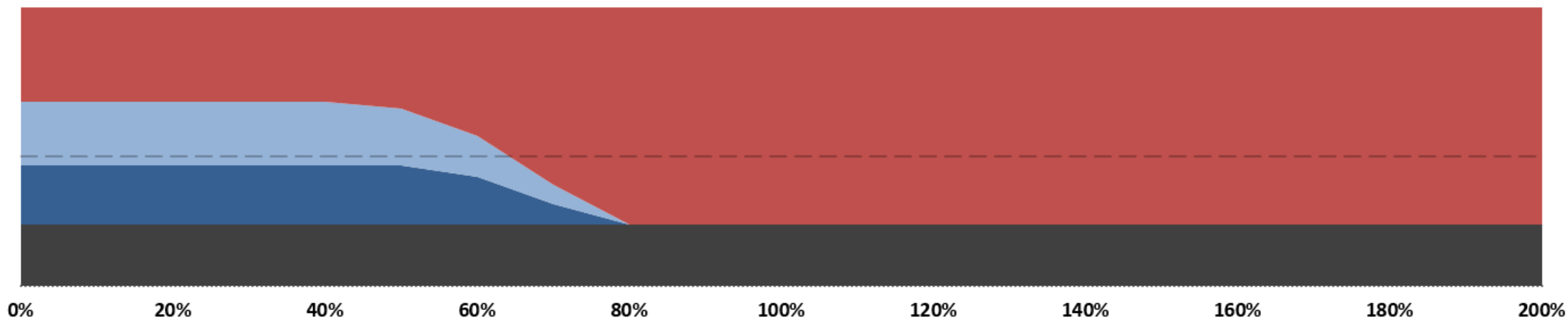
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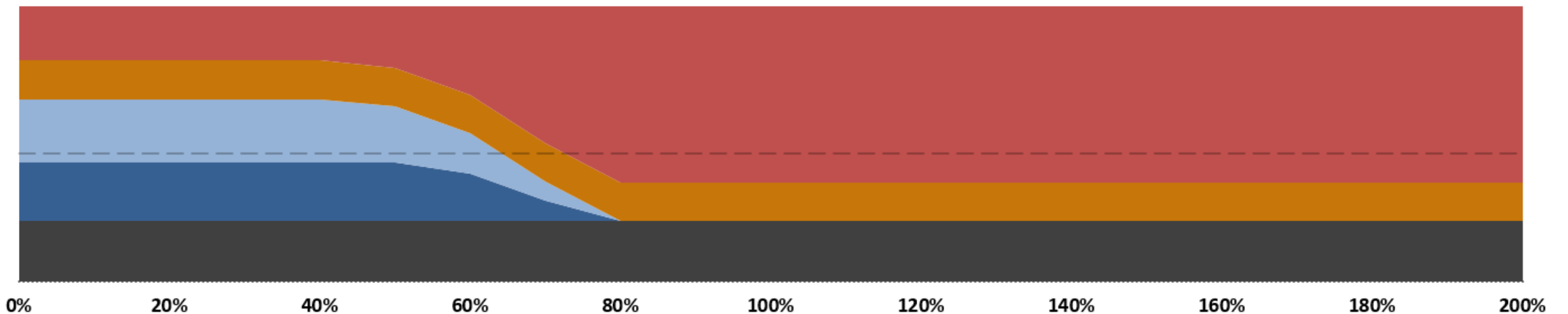
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STUDENT'S SHARE

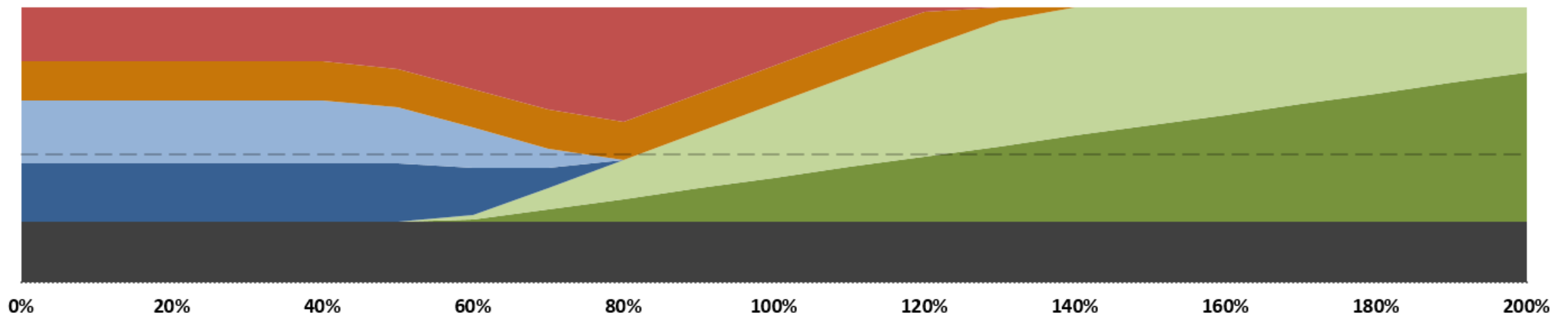
- 500 hrs worked
Annual take-home pay is \$3,681
- 9.26 \$/hr base pay
- 0.0% Student debt ratio

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 Family College Savings
- Funds from Family Income During College
- Funds from Pell
- Funds from SNG
- Funds from Inst. Aid & Scholarships
- Funds from Work
- Implied College Debt
- 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
- 4 Years of saving
- 1% Discretionary income saved annually
- 1.0% Interest on savings

STUDENT'S SHARE

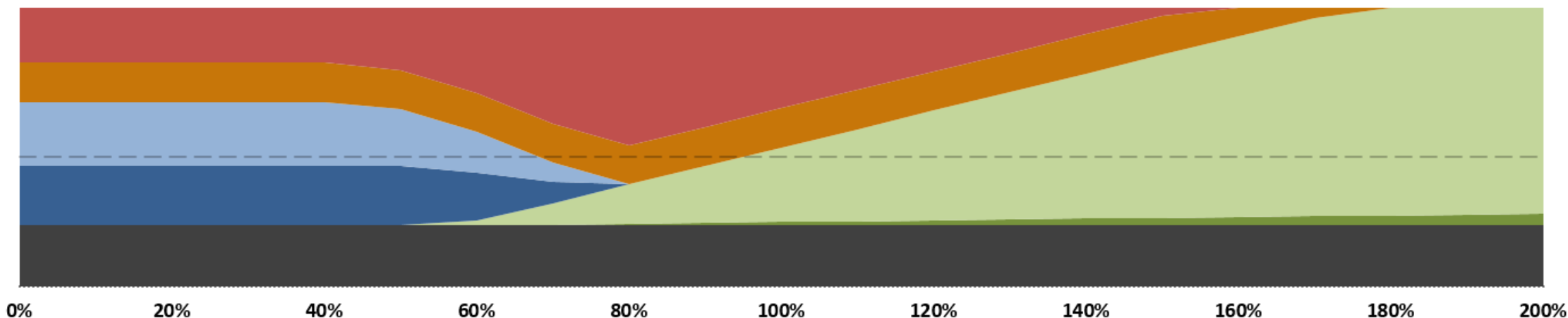
- 500 hrs worked
Annual take-home pay is \$3,681
- 9.26 \$/hr base pay
- 0.0% Student debt ratio

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

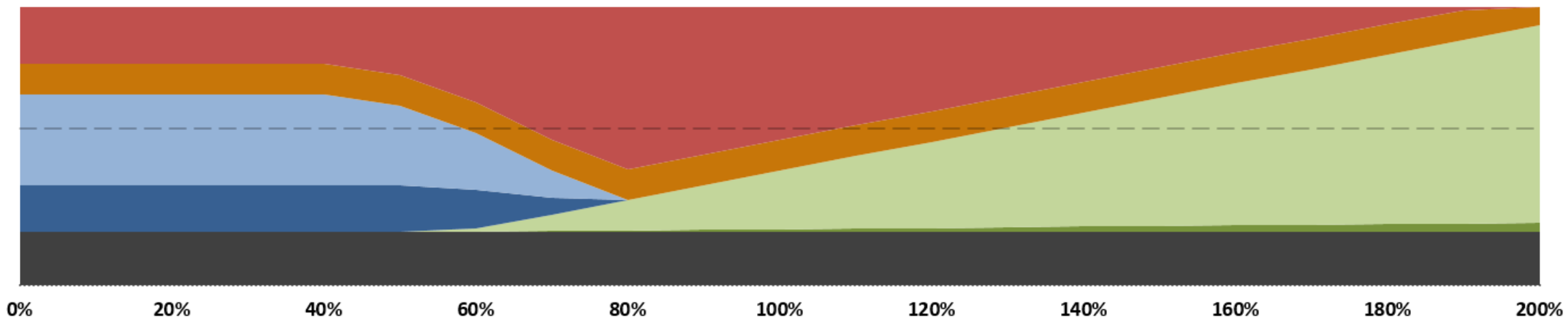
- 500 hrs worked
Annual take-home pay is \$3,681
- 9.26 \$/hr base pay
- 0.0% Student debt ratio

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%

- 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, 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

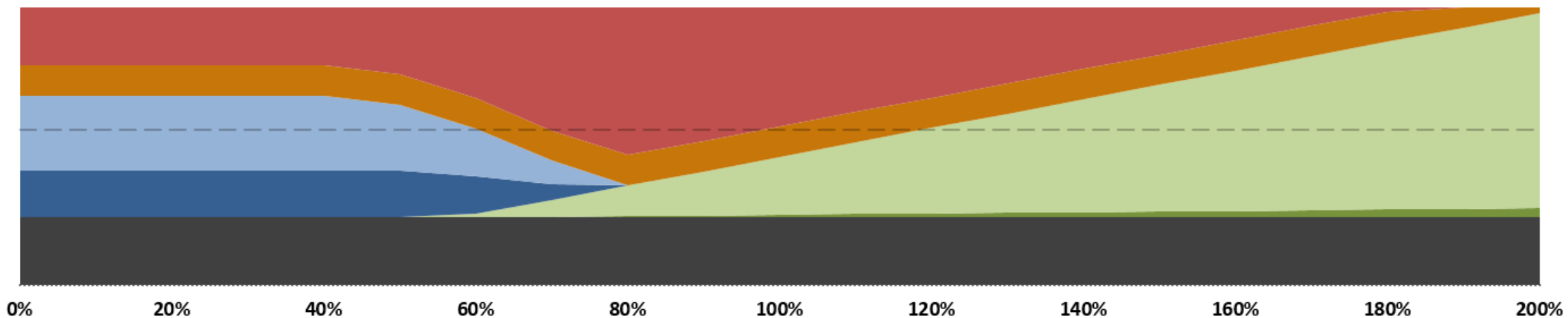
- 500 hrs worked
Annual take-home pay is \$3,681
- 9.26 \$/hr base pay
- 0.0% Student debt ratio

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%

- 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 – 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

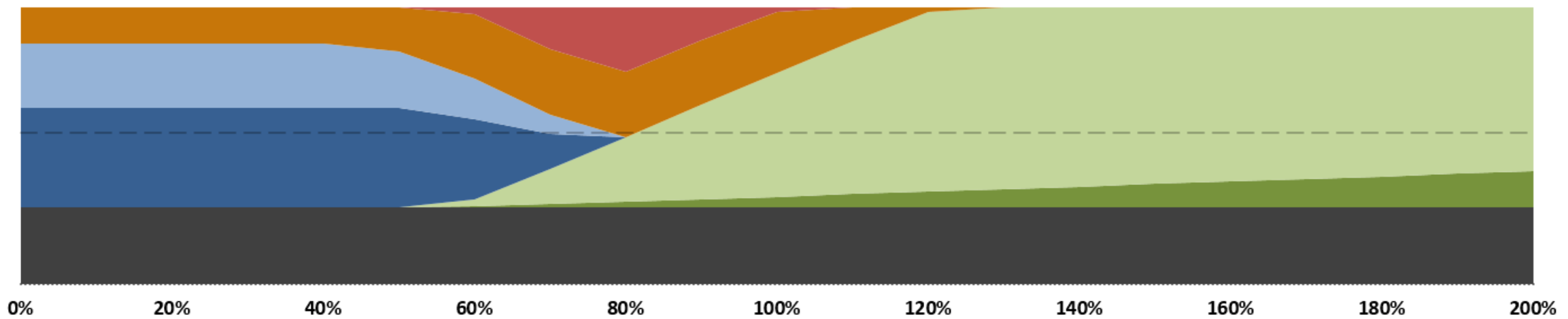
- 500 hrs worked
Annual take-home pay is \$3,681
- 9.26 \$/hr base pay
- 0.0% Student debt ratio

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%

- State Appropriation
- Funds from Family College Savings
- Funds from Family Income During College
- Funds from Pell
- Funds from SNG
- Funds from Inst. Aid & Scholarships
- Funds from Work
- Implied College Debt
- Tuition and Fees



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



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

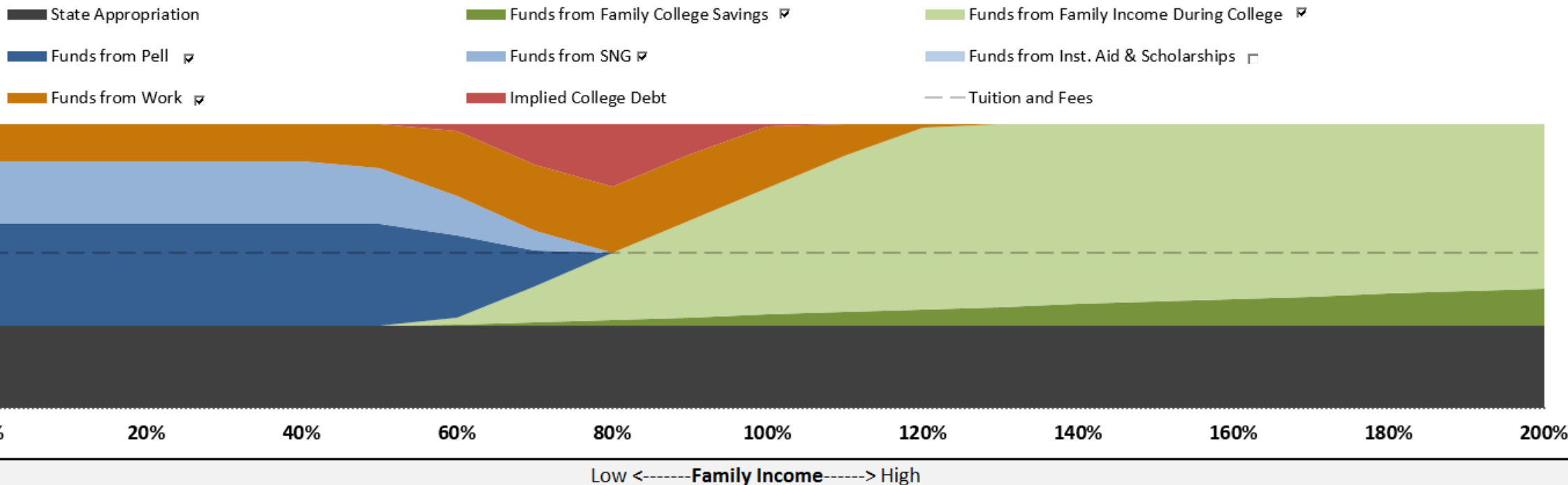
STUDENT'S SHARE

- 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%





Affordability Model – Research University, On Campus, 2017

Example Debt Threshold

● 1% Discretionary income saved annually

● 1.0% Interest on savings

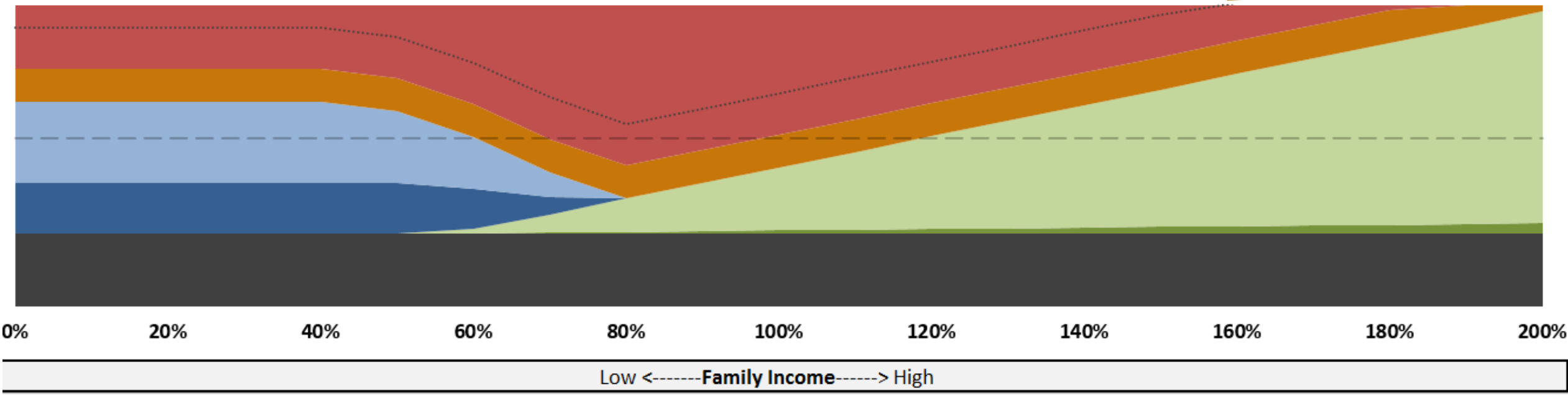
6.0% Student debt ratio

"Debt limit" is \$20,172

Policy impact on budgets	Schools: 0.0%
	State: 19.0%

- State Appropriation
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- Funds from Pell
- Funds from SNG
- Funds from Inst. Aid & Scholarships
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- Implied College Debt
- — Tuition and Fees

Debt Limit





Continue the conversation

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