

Affordability

Washington Student Achievement Council
May 23, 2013

- Washington's fiscal and policy support to higher education—appropriations to public institutions, financial aid, GET, and tuition policy—play a key role in Affordability.
- Tuition and state funding combine to cover the **cost of instruction**.
- The **sticker price** (tuition) is often offset with aid, resulting in a lower **net price**.
- Tuition and other expenses—books, room and board, transportation—result in the **Cost of Attendance**.

- Affordability affected by preferences and priorities.
- Should be considered in context of the value of a credential or degree and increased earning potential.
- Policy options will be viewed from perspective of students and families.
- The three areas of affordability reviewed are:
 - State versus student share of cost of instruction
 - Student and family's ability to pay
 - Targeted student aid policies

Students are now covering the majority of the cost of instruction at public four-year institutions.

- The state covered 74% in 2000, compared to 44% in 2013.
- Washington is below the national average in total funding received through state appropriations.
- Washington ranks 6th among states in percentage of reductions to higher education appropriations since 2007.



Sector	2012-13 Tuition/Fees ¹	Cost of Attendance ²	Income Needed to Pay COA ³	# of WA Families Below Income ⁴	% of WA Families Below Income
Research	\$11,525	\$24,775	\$120,000	675,854	82%
Regional/ TESC	\$7,789	\$21,039	\$110,000	646,724	78%
CTC	\$4,000	\$17,250	\$100,000	607,978	74%
Private ⁵	\$29,546	\$42,796	\$168,000	759,411	92%

¹ 2012-13 Tuition (operating, building and service fees) average for institutions in sector.

² Washington Financial Aid Association non-tuition student budget amount for 2012-13 is \$13,250 (\$1,000 books, \$9,240 room and board, \$1,260 transportation and \$1,750 miscellaneous).

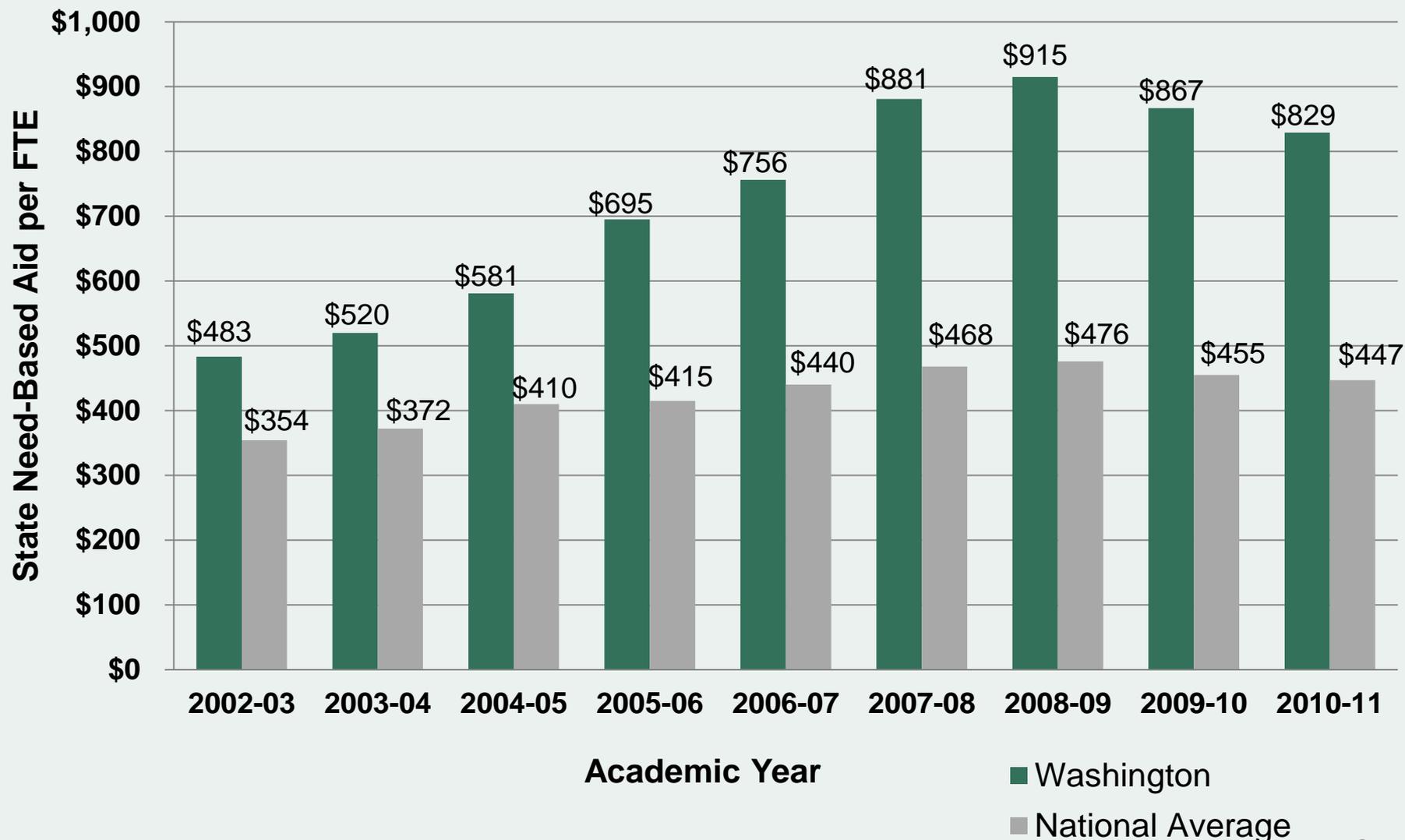
³ College Board EFC calculator used: <https://bigfuture.collegeboard.org/pay-for-college/tools-calculators> (dependent student, WA resident, four-person family, one in college, two parents both employed, no untaxed income or assets, U.S. Income Taxes of 9% paid, eldest parent age 50.)

⁴ American Community Survey PUMS 2007-2011. The ACS sample was 39,614 families with related children age 17 and younger. Using the ACS household weights, translates into 824,615 WA families.

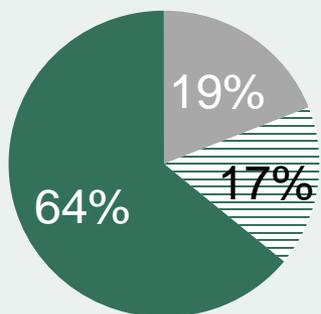
⁵ 2012-13 tuition average for 15 private non-profit four-year institutions that participate in state aid programs.

- Savings
 - Predictor of attendance.
- Current income & work
 - Too many hours of work negatively impact academic success.
 - No longer viable to pay for college through summer earnings.
- Student and parent borrowing
 - Long-term investment vs. over-indebtedness.

- Need-Based
 - State Need Grant
 - College Bound Scholarship
 - State Work Study
 - Passport
- Workforce
 - Health Professionals
 - Aerospace Loan
 - Alternative Routes to Teaching
- Merit programs
 - Scholars
 - WAVE

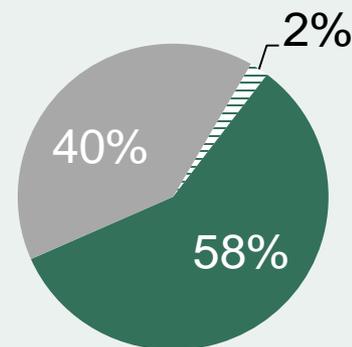


Aid by Source



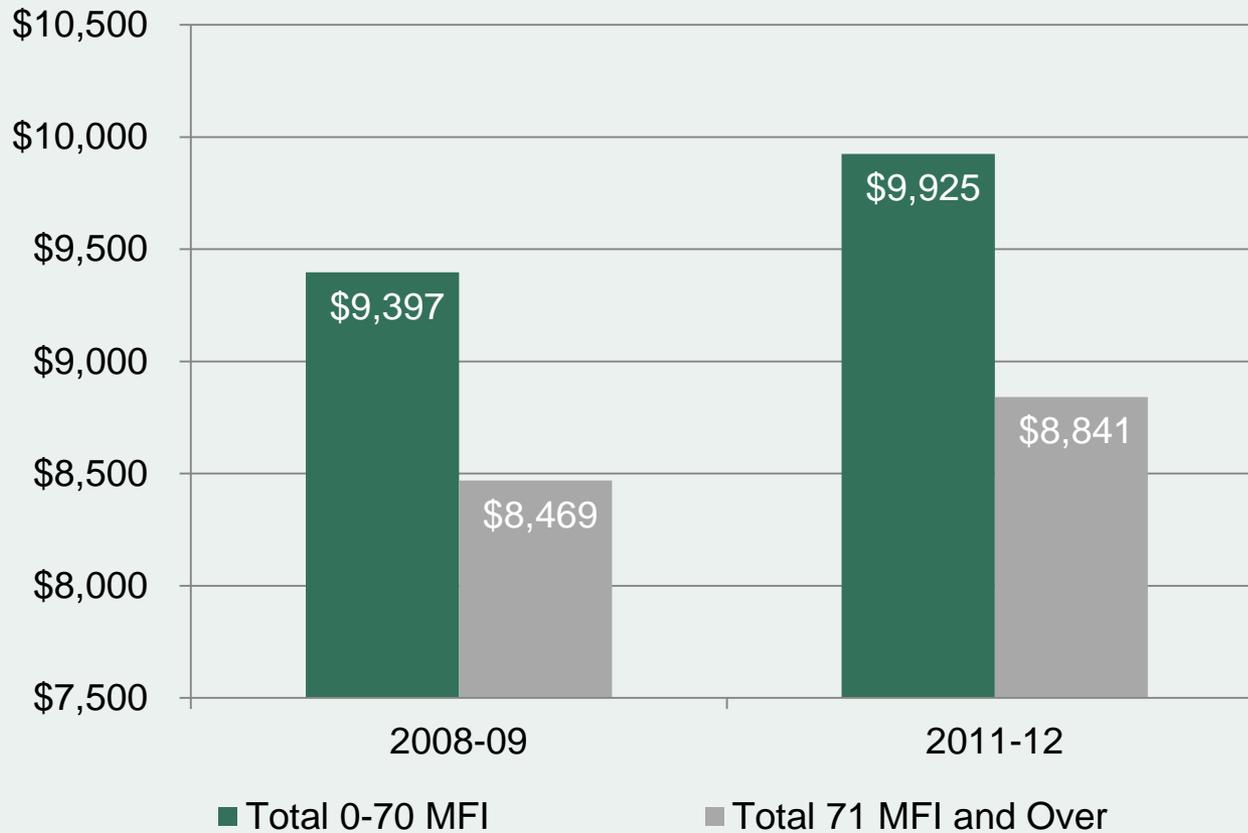
■ Other ≡ State ■ Federal

Aid by Type



≡ Work ■ Gift ■ Loans

Aid Type/Source	Total	Students
Federal Grants	\$435 million	119,900
State Grants	\$288 million	80,100
Institutional Grants	\$245 million	55,000
Private Scholarships	\$44 million	13,900
Work-Study	\$25 million	10,700
Loans	\$699 million	89,200
Total	\$1,736 million	154,629



- Examine Affordability connections to other challenge areas
- Identify specific policy options and recommendations for the July Council meeting
 - Consider the state to student ratio of cost of instruction
 - Review ways to balance access versus completion goals
 - Consider possible reinvestments in aid programs
 - Evaluate means to generate review through efficiencies and policy adjustments
 - Review policies that support all students