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Access, Affordability, 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 the 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.