



December 2007

Annual Report on State Financial Aid Programs: 2006-2007 Accounting, 2007-2008 Estimates, and Notable Events and Activities

Summary

The state of Washington has a longstanding commitment to postsecondary education opportunities for all students, regardless of income. The purpose of this report is to provide the members of the Higher Education Coordinating Board with:

1. An overview of state, federal, and institutional financial aid in Washington.
2. A description of notable events and activities during the past year.
3. A detailed accounting of state aid program expenditures in the 2006-2007 academic year and projected spending for the 2007-2008 academic year.
4. A separate review of the GEAR UP program activity.

Overview of State, Federal, and Institutional Aid Programs

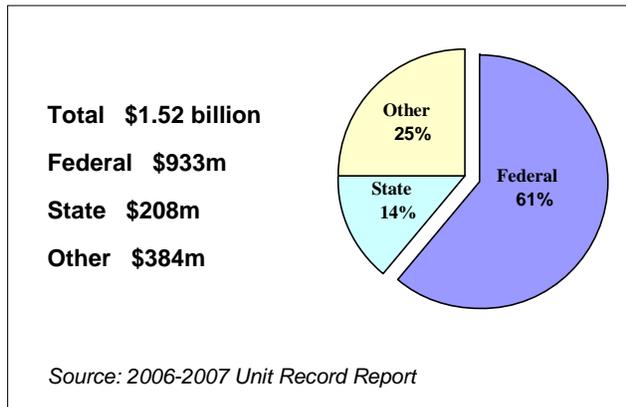
In 2006-07, a total of \$1.52 billion was provided to about 132,000 needy Washington students from state, federal, and other sources. This aid took the form of grants, work study awards, and loans. As in previous years, the federal government provided the majority of the aid, 77 percent of which was in the form of loans.

The figures in Charts 1 and 2 represent state, federal, institutional, and other private sources of financial aid disbursed to Washington students for the 2006-07 academic year, as reported on the Unit Record Report. The Unit Record Report includes all aid received by needy students at the 68 colleges and universities currently participating in the State Need Grant program.

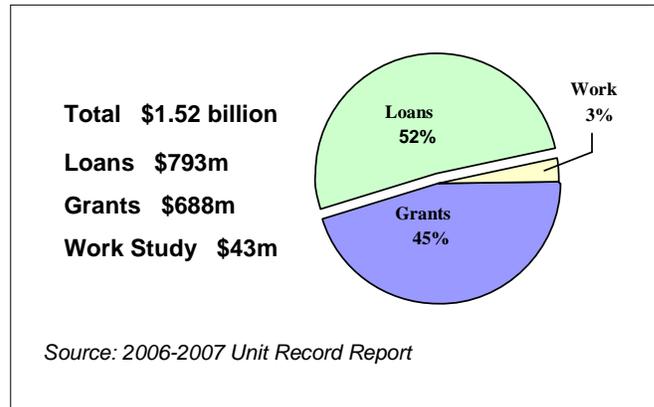
This report does not address alternative financing methods such as private loans, credit card debts, or federal tax credits that may be used by some students and their families. This report also does not routinely capture data about aid based solely on merit.

Sources and Types of Aid to Needy Students in Washington (2006-2007 academic year)

**Chart 1
Financial Aid by Source**



**Chart 2
Financial Aid by Type**



State Student Aid Funding in Perspective

In 2006-07, the HECB's student aid programs disbursed about \$199 million in state aid. About 76,000 students attending 99 colleges and universities received some form of state assistance. In 2007-08, \$216 million is available to the HECB for state aid programs.

More than 88 percent of state aid is in the form of grants and scholarships. The remaining 12 percent is in the form of work study with a small percent representing conditional loans that can be completely forgiven in exchange for specific service.

While it is difficult to adequately compare states to each other, the National Association of State Student Grant and Aid Programs (NASSGAP) supplies one measure of relative effort. According to the latest NASSGAP survey, Washington ranks fourth in the nation in terms of state student grant aid funding per capita. Above Washington are New York, New Jersey, and Pennsylvania. In the same cluster as Washington are Indiana and Illinois – two states which have often been used for making peer comparisons. Among the Global Challenge states, Washington ranks second only to New Jersey.

Notable Events and Activities

Several notable events occurred during the past year including: the closure of a school, new rules to strengthen and clarify the criteria governing participation of for-profit intuitions in the State Need Grant program, and significant administrative improvements in daily processes. But, perhaps none were as notable as the outcome of the 2007 Legislative session which saw significant expansion of three existing programs and the introduction of three new programs and a new activity to assist students.

Expansion of Existing Programs

State Need Grant

The governor and legislature provided funding for the State Need Grant (SNG) program to increase student awards in the 2007-08 academic year by an amount equal to the dollar-for-dollar increase in public sector tuitions. Total funding for the State Need Grant program increased from \$164 million in 2006-07 to \$181 million in 2007-08 and will increase again in 2008-09 to \$194 million.

In addition, the governor and legislature moved closer to the Board's recommendation of increasing eligibility to 75 percent of median family income by boosting the median family income cutoff from 65 percent to 70 percent. The 70 percent cutoff represents a \$50,500 income for a family of four. This is anticipated to extend the grant to the equivalent of an additional 2,750 full-time students.

However, the Board's recommendation to close the gap between the State Need Grant award amounts and the full cost of public sector tuition was not funded. The awards continue to range between 89 percent and 94 percent of public sector tuition.

As supported by the Board, the 2007 Legislature extended the SNG Less-than-half-time Program for four additional years and made it available to all participating SNG schools. This expansion enables otherwise eligible students taking as few as three, four, or five credits to be eligible.

State Work Study

For the second consecutive biennium the governor and legislature provided funding for the State Work Study program, which also is sufficient to keep pace with the impact of tuition increases and new enrollments. Funding for the State Work Study program increased from \$19 million in 2006-07 to \$20 million in 2007-08 and will increase again in 2008-09 to \$21 million.

As proposed by the Board, the legislature also appropriated \$500,000 to fund internships for prospective teachers. This provides an opportunity for eligible students to gain direct experience in secondary school math or science classrooms. The goal is to better prepare students to make sound decisions about pursuing a teaching career and accepting other forms of dedicated aid in the future such as the Teachers Conditional Scholarships. Nine institutions, including four community colleges, have been chosen for initial year funding through a competitive application process, and are now actively working to achieve the program's goals.

Teacher Conditional Loans

The Alternative Routes and Future Teachers Conditional Scholarship programs both received expanded funding during the 2007 legislative session. The Future Teachers Conditional Scholarship program expanded from \$750,000 in 2006-07 to \$1,000,000 per year for the 2007-09 biennium. The Alternative Routes to Teaching program expanded from \$1,008,000 in 2006-07 to \$3,434,500 in 2007-08. Some of this was due to the addition of two new routes pertaining to paraprofessionals and educator retooling.

Implementation of New Programs

College Bound Scholarship

This program is intended to help improve the aspirations of younger students and families who otherwise might not consider college as an option because of cost. The scholarship provides the assurance of four years of tuition, fees, and funds for books to certain low-income students who sign a pledge during their seventh or eighth grade year. By so doing, these students promise to graduate from high school with at least a 2.0 grade point average and demonstrate good citizenship. Students whose families are eligible for free or reduced-price lunches may apply.

The scholarship will be awarded in coordination with the State Need Grant program. The first awards will be paid out in fall 2012, to students who currently are in middle school.

Passport to College Promise Program for Foster Youth

This six-year pilot program is designed to encourage and help foster youth prepare for, attend, and successfully complete college. The program will provide foster youth and foster parents with educational planning tools, college support services, and scholarship assistance. The program also includes an incentive grant for institutions that provide special student services for foster youth. The first scholarships and incentive grants will be awarded during the 2008-09 academic year.

GET Ready for Math and Science Conditional Scholarship Program

This four-year need-based, conditional scholarship was established for the purpose of providing high school students who excel in math and science with an incentive to major in a math or science program during college. In exchange, scholarship recipients commit to work in a math or science occupation in Washington for three years after completing their baccalaureate degree.

The program's administrator is the College Success Foundation which also is responsible for raising funds to match the state's contribution on a dollar-for-dollar basis. The HECB is the fiscal agent for the program. The College Success Foundation will select the first recipients in winter 2009, and the HECB will make the first payments to students in fall 2010.

Scholarship Clearinghouse

A coalition of private, non-profit, scholarship providers are working together to create a centralized source of scholarship information for Washington. A public-private partnership has been formed to raise private funds for the development of a scholarship database and an advertisement-free Web site where students can search for scholarships. Development of the database and Web site will begin early in 2008. The HECB will work to develop the database and will host the clearinghouse upon its completion in fall 2009.

Administrative Activities

The Student Financial Assistance Division engages in a wide range of activities that support state aid programs. Such activities include:

- ◆ Training and oversight of participating institutions;
- ◆ Facilitating communication, collaboration, and coordination among other state agencies and postsecondary institutions; and
- ◆ Making administrative improvements to program processes and tracking.

School closure

Crown College, a participant in the State Need Grant Program, closed in July of 2007 after losing its accreditation. The school also had problems with the U.S. Department of Education over the administration of federal aid programs. The situation was closely monitored by HECB staff. There was no loss of state student aid funding as a result of the closure.

New standards for participation of for-profit institutions in the State Need Grant program

The State Need Grant program revised rules to strengthen standards that proprietary institutions must meet to participate in the SNG program. The standards include an assessment of the institution's administrative and financial strengths as well as the development of performance expectations to measure student success.

Training and school visits

The HECB continues to support college and university participation in state student aid programs by providing training and oversight for financial aid staff at postsecondary institutions throughout the year. Staff visited ten institutions during 2007 to review compliance efforts related to the State Need Grant and State Work Study programs. Other training events included a special orientation for private career schools, on-site training for new aid administrators, conference sessions related to various programs, a two-day statewide training for student employment staff, two Unit Record Report training sessions, and four state financial aid workshops held throughout Washington.

Improved Coordination Activities - WAFAX

The Washington Financial Aid Exchange (WAFAX) is a statewide system developed and hosted by the HECB to assist institutions with tracking of students simultaneously enrolled in two or more Washington institutions. In 2007, two- and four-year institutions began testing the WAFAX system. WAFAX is intended to streamline what is otherwise a labor intensive process and is expected to facilitate more co-enrollment opportunities.

Other Administrative Improvements

Electronic fund transfers

The Student Financial Assistance Division is expanding the use of the electronic fund transfer (EFT) reimbursement payments for private and proprietary institutions. This process replaces the need to issue individual paper checks to each student. This means faster processing and greater accountability for disbursement tracking.

Electronic timesheet submission from the independent institutions

During the last two years there has been a steady increase in the use of electronic timesheet submission by the independent colleges and universities participating in the State Work Study program. Seven private colleges currently submit timesheets electronically. The eight other institutions still submitting paper timesheets are being encouraged to consider this option. Electronic timesheet submission saves the state money by reducing processing time, and off-campus employers receive reimbursements for wages paid to SWS students approximately two weeks sooner.

IT systems conversion

As part of the on-going conversion of information systems at the HECB, key systems affecting the State Work Study and the State Need Grant programs were nearly completed in the 2006-07 year. Converting systems to the web-based portal from a “main-frame” environment increases reliability and efficiency for schools and provides cost savings for the Board. The conversion also allows for the development of additional system enhancements that will result in other improved processes over time.

New billing agency

HECB staff manage a student receivables system for conditional loan recipients and for students who owe repayments to grant programs. Starting in fall 2007, all financial aid program repayments will be sent to a new billing agency, Educational Computer Systems Incorporated. As a result, repayments can be operated out of one system rather than tracking individual students through multiple spreadsheets and databases. This also will ensure that all repayments are processed in a timely manner, tracked through a billing system customized for the HECB, managed online by board staff, and measured through a sophisticated reporting system. The new process will allow students to make payments through a variety of payment options including the use of debit cards, credit cards, or Automated Clearinghouse Transfer from a bank account. Staff expect to refer about 1,200 accounts to the billing agency each year.

Data from aid program's administered by other agencies

Opportunity Grant, Academic Competitiveness Grant, and SMART Grant

Institutions were asked to provide student data on the HECB's Unit Record Report from three new financial aid programs launched in 2006-2007.

- **The Opportunity Grant** - administered by the State Board for Community and Technical Colleges. Grants were provided to low-income students enrolled in high-demand degree programs at 11 pilot institutions during the 2006-07 academic year.
- **The Academic Competitiveness Grant** - one of two new federal grants. These grants are offered to Pell-eligible students during their freshman and sophomore years, if they complete a rigorous program of study in high school.
- **The SMART grant** - the second new federal program. SMART grants are offered to upper division college students majoring in science, math, or critical foreign language programs.

WHEFA student loan proposal

The Washington Higher Education Facilities Authority (WHEFA) is proposing to use \$80 million in tax exempt state bonds to fund lower-cost, private student loans. The WHEFA board is scheduled to approve a plan for implementing the new loan program during its Feb. 7, 2008 meeting.

Upcoming Activities

The Student Financial Assistance Division also plans to begin implementing a student aid research agenda during the upcoming year. The research is intended to inform student aid program performance measures as well as support the goals outlined in the 2008 Strategic Master Plan for Higher Education in Washington.

Financial Aid Awareness Study

The level of understanding of students and families about financial aid is of great concern to the Board. Student aid staff are planning to begin a series of studies to determine the extent to which additional information about financial aid needs to be disseminated to Washington's residents, and the mediums through which that information should be shared.

Unmet Need Study

A measure of affordability is the extent to which students, with the assistance of financial aid, are able to cover the costs of a college education. In many ways this seems to be an intuitive standard for assessing the adequacy of aid programs. However, because of substantial data limitations, an accurate picture of unmet need is difficult to ascertain.

HECB student aid staff plan to collaborate with several financial aid administrators from throughout the state to develop and conduct a study that will focus on gaining a sharper understanding of the extent to which the financial needs of students are being met or are left unmet.

Developing affordability measures

HECB staff will begin to develop a set of measures to permit an annual assessment of the general state of affordability of higher education in Washington. At a minimum, we envision measures that better identify the extent to which families at various income levels can manage the cost of a college education with the assistance of student aid. The intent is to develop a standard set of measures that can be included in future student aid annual reports.

Other Major Activities

Rules for New Programs

During 2008, the Board will be asked to review and approve new rules for several of the new programs highlighted in this report. Revisions and additions to rules for existing financial aid programs also will require Board review and approval.

Potential changes to State Need Grant

The Student Financial Aid workgroup was reconvened in spring 2007, and began the process of evaluating two components of the State Need Grant program – the part-time state need grant award structure and the institutional repayment policies.

The part-time SNG award structure issue is under review because an analysis of award amounts indicates that part-time SNG awards cover a smaller proportion of tuition than full-time awards. A recommendation will be made to the Board in early 2008.

The workgroup also is reviewing institutional repayment policies as they relate to the SNG program. A review by staff revealed a wide variety of outcomes among institutions when a student withdraws and is expected to repay a portion of the grant. The workgroup has been asked to review various types of repayment policies and to make a recommendation to the Board.

State Financial Aid Expenditures by Program

Table 1 provides a program-by-program accounting of all state student aid programs.

Table 1 State Financial Aid Program Funding and Recipients
2006-07 & 2007-08

Public Purpose	Program	2006-2007		2007-2008	
		Total Dollars Expended ¹	Actual # of Recipients	Total Dollars Available ¹	Estimated # of Recipients
<i>Opportunity for Equitable Access</i>	State Need Grant Need-based grant for up to five years of study for low-income undergraduates whose current income is 70 percent or less of median family income	\$167 million	66,364	\$182 million	72,000
	State Work Study Part-time work for financially needy undergraduate and graduate students	\$19.4 million	9,313	\$20.3 million	9,713
	Educational Opportunity Grant Need-based grant for transfer students in their junior and senior years of college	\$2.9 million	1,257	\$2.9 million	1,250
<i>Affordability & Merit</i>	Gaining Early Awareness and Readiness for Undergraduate Programs (GEAR UP) Scholarships Provides scholarships to needy or disadvantaged students who participate in an early awareness and outreach program	\$1.2 million	400	\$1.3 million	420
	American Indian Endowed Scholarship Endows a fund from which annual scholarships for financially needy undergraduate students with close social and cultural ties to American Indian community	\$19,575	12	\$18,150	17
<i>Merit</i>	Washington Scholars Four-year merit scholarships to three high school students from each of the 49 state legislative districts who are in the top 1% of their class	\$2.2 million	404	\$2.5 million	417
	Washington Award for Vocational Excellence* Two-year merit scholarship for three vocational students from each of the 49 state legislative districts for outstanding achievement in vocational/technical education	\$993,131	298	\$1.1 million	308
<i>Targeted to Employment Shortages</i>	Health Professional Loan Repayment Provides loan repayment assistance to licensed primary care health professionals	\$3.2 million	60	\$3 million	60
	Alternative Routes to Teaching* Helps school districts recruit teachers in subject matter & geographic shortage areas	\$992,000	124	\$3.4 million	596
	Future Teachers Conditional Scholarship Conditional loans or repayments toward federal student loans for students pursuing teaching certificates or current teachers pursuing additional endorsement in select, high-demand subject areas	\$379,224	51	\$1 million	100
	Health Professional Scholarship Provides scholarships to students training to become primary care health professionals	218,000	43	250,000	45
	WICHE Professional Student Exchange Conditional loans to study optometry or osteopathy, programs not offered in Washington	\$204,300	15	\$221,900	14
<i>Other</i>	Washington Center Scholarships Provides financial support for student to participate in internships in Washington, D.C.	\$60,000	15	\$60,000	15
Total		\$199 million		\$216 million	

¹ Includes federal LEAP and SLEAP funds.

* The HECB is the fiscal agent for these programs. Washington Award for Vocational Excellence is administered jointly with the Workforce Training and Education Coordinating Board. The Alternative Routes to Teacher Certification program is administered by the Professional Educator Standards Board.

In 2006-07, the Higher Education Coordinating Board also was responsible for administering activities that indirectly benefit students, including:

- The **Community Scholarship Matching Grant**, which provided a total of \$246,000 to 100 community-based 501(c)(3) organizations who raise money to provide scholarships to students.
- The **College Assistance Migrant Program**, which provided a total of \$24,625 in supplemental federal funds to four colleges that provided services to migrant and seasonal farm workers and their children.
- The **Child Care Grant**, which provided a total \$75,000 to four institutions to help promote high-quality, accessible, and affordable child care for parents attending college.

Fund Utilization

HECB staff strive to achieve a 100 percent expenditure of appropriated aid each year. However, the Board has flexibility to carry unexpended funds forward into the next fiscal year, and has the authority to transfer limited amounts between certain programs.

The 2006 Legislature allowed the HECB additional flexibility to transfer monies among several financial aid programs. Also included in this action was the authority to transfer up to 1 percent of the State Need Grant to the State Education Trust Account. Monies in the account are currently used to fund scholarships to students who participated in the state's first Gaining Early Awareness and Readiness for Undergraduate Programs (GEAR UP) program. A review of the GEAR UP program is provided in Appendix C.

As a result, the HECB made the following transfers, and carry forward of funds, at the conclusion of the 2006-07 year. No funds were carried forward from the State Need Grant program. Carry forward in State Work Study program represents less than one-tenth of one percent of the program's appropriation.

Table 2 Transfers for 2006-2007

Transfers	Amount
State Need Grant to State Education Trust fund	\$648,201
Agency administrative savings to pay GEAR UP Scholarships	\$123,230
Washington Scholars to pay WAVE student awards	\$84,947

Table 3 Carry Forward into 2007-2008

Program	Amount
State Need Grant	\$0
Educational Opportunity Grant	\$9,571
Washington Scholars	\$112,045
State Work Study	\$7,111

Award Amounts by Program

Tables 4A and 4B display the value of the award for each program. The value of the 2007-08 awards in the State Need Grant, Washington Scholars, Washington Award for Vocational Education, and Future Teachers programs kept pace with public sector tuition and fee increases. The value of awards in all other programs remained relatively unchanged compared to the previous year.

Table 4A **Maximum Award Amounts by Program**
2007-2008

<i>Program</i>	<i>Award Range</i>
Alternative Routes to Teaching	\$8,000
American Indian Endowed Scholarship	\$500-\$1500
Educational Opportunity Grant	\$2,500
GEAR UP	\$4,000
Health Professional Loan Repayment	up to \$25,000
Health Professional Scholarship	\$3,000-\$15,000
State Work Study	\$2,000 -\$5,000

Table 4B **Award Amounts by Program & Sector**
2007-2008

	<i>Future Teachers</i>	<i>State Need Grant</i>	<i>Scholars / WAVE</i>
Research	\$6,192	\$5,564	\$6,224
Comprehensive	\$4,620	\$4,188	\$4,564
Private Four-Year	\$6,192	\$5,798	\$6,290
Community & Technical Colleges	\$2,676	\$2,502	\$2,676
Proprietary	n/a	\$2,502	\$6,290

Appendix A

State Need Grant Program Update

Overview

Included in this update of the State Need Grant (SNG) program's expenditures and activities is a summary of the 2006-2007 disbursements and a report on 2007-2008 funding, expenditures, and activities to date. This appendix also includes a history of State Need Grant expenditures and a breakdown of 2006-2007 institutional expenditures, along with the most recent estimate of how much each institution will spend in 2007-2008.

2006-2007 Summary

In 2006-2007, the Higher Education Coordinating Board had a total of \$167 million available, including about \$1.4 million in federal matching funds, for SNG awards to students (Table 5). The funding allowed the HECB to serve 66,364 students. The legislature has continued its' support of increasing funding in the state financial aid programs to keep pace with tuition and fee increases for the last 16 years. All or nearly all of the general funds appropriated to the SNG program have been fully expended for the last several years and staff anticipates this trend will continue (Table 6).

Table 5 State Need Grant Budget Summary
2006-2007

State Appropriation	\$166,259,408
Federal LEAP/SLEAP Funds	\$1,432,765
SNG Available for Grants	\$167,692,173
Carry Forward SNG	\$0

Table 6 State Need Grant Percent of General Fund Expended
FY 2001-02 through FY 2007-08
(in millions)

Year/Biennium	General Fund –	
	State Appropriation	Percent Expended
FY 2001-02	\$ 90.6	100%
FY 2002-03	\$104.9	99%
FY 2003-04	\$111.6	100%
FY 2004-05	\$124.9	100%
FY 2005-06	\$153.3	99%
FY 2006-07	\$166.1	100%
FY 2007-08	\$181.5	n/a

SNG award amounts vary by sector, and as a percentage of tuition. The grant awards ranged from 95 percent of tuition at the community colleges to 88 percent of tuition at the public research institutions (Table 7). The governor and legislature provided sufficient funding to raise grant amounts to cover all public sector tuition increases on a dollar-for-dollar basis. However, there was no significant progress in closing the gaps between the total tuition costs and the grant award amounts. Additionally, schools reported the fewest number of eligible, but unserved students in the program over the last few years. Less than 2,000 SNG-eligible students went unserved due to lack of funds. Most were late enrollers.

Table 7 State Need Grant Awards as a Percent of Tuition, by Sector, 2006-07

Sector	Average SNG Award	Average Tuition ¹	Tuition less SNG	SNG Award as % of Tuition
Research	\$5,156	\$5,822	\$666	88%
Comprehensive	\$3,970	\$4,350	\$380	91%
CTC/Private Voc	\$2,450	\$2,586	\$136	94%
Private Four-year	\$5,390	\$5,822	\$432	92%

¹ The maximum grant for State Need Grant recipients at private four-year colleges is limited to the value of tuition and fees at the public four-year research institutions. Therefore, the tuition recognized for private four-year colleges is the same as the public research sector.

Less-than-Halftime Pilot Program

The less-than-halftime program concluded its pilot phase in 2006-07. The number of students served by this program at nine pilot schools in 2006-07 was 821, up from 680 students served during the first year of the program in 2005-06. The nine participating schools successfully adapted their systems and processes to accommodate for these additional State Need Grant-eligible students. The 2007 legislative session expanded less-than-halftime eligibility to students at all participating SNG institutions beginning in 2007-08 and extended the program through the next four academic years. The following table provides additional information about the less-than-halftime program in 2006-07.

**Table 8 Less-than-Halftime Pilot Program
2006-2007 Year-End Statistics**

<u>Institution</u>	<u>Expenditures</u>	<u># Served Students</u>	<u># Unserved Students</u>
Clark College	\$49,398	222	0
Columbia Basin College	\$34,664	141	4
Highline Community College	\$36,853	131	12
Pacific Lutheran University	\$20,054	32	0
Peninsula College	\$4,652	21	0
South Puget Sound Community College	\$35,564	139	0
Spokane Community College	\$9,103	45	1
Spokane Falls Community College	\$17,575	80	1
The Evergreen State College	\$2,975	10	0
Total	\$210,838	821	18

Source: 2006-2007 State Need Grant Final Interim Report

Student Profile

The following table profiles the students who received a State Need Grant award during the 2006-07 academic year. Approximately 72 percent of SNG recipients enrolled full-time during the fall semester and 62 percent of SNG recipients were considered to be financially independent from their parents, based on federal criteria. In addition, nearly half of all SNG recipients were over the age of 23.

Table 9 **State Need Grant Student Profile**
2006-2007

<u>Age Categories</u>		<u>Students with Families</u>	
< 21	35%	Married	15%
21 - 23	19%	Married with Children	11%
> = 24	46%	Single Parents	20%
<i>Median age = 23</i>			
<u>Gender</u>		<u>Race/Ethnicity</u>	
Female	62%	American Indian	3%
Male	38%	Asian/Pacific Islander	10%
		Black	8%
		Hispanic	9%
<u>Dependent Students</u>		Other/Unknown	10%
% Dependent	38%	White	60%
Average Parent Income	\$29,051		
<u>Independent Students</u>			
% Independent	62%		
Average Income	\$14,650		

Source: 2006-2007 Unit Record Report

2007-08 SNG Update

For the 2007-08 academic year, the HECB has \$182 million, including about \$1.2 million in federal matching funds, available for grants to students at 68 participating institutions (Table 10). HECB staff expect to serve about 72,000 students. Included in this appendix is a table showing the breakdown of funding for each institution in 2007-08, known as an institution's "reserve" (Tables 11 & 12). The legislature expanded less-than-half-time eligibility to students at all participating SNG schools. An annual appropriation of \$500,000 was provided for each year of the 2007-2009 biennium. The program also was extended for four more years.

Table 10 **State Need Grant Budget Summary**
2007-2008

State Appropriation	\$181,477,000
Federal LEAP/SLEAP Funds	\$1,233,457
SNG Available for Grants	\$182,710,457
Carry Forward SNG (est.)	\$ 0

Table 11 **State Need Grant, by Sector**
2006-07 Awards & 2007-08 Reserves

Sector	2006-2007		2007-2008
	Amount Awarded	Served FTEs ¹	Amount Reserved ²
Research	\$47,592,700	9,945	\$53,371,252
Comprehensive	\$32,332,037	8,573	\$34,740,569
Private Four-Year	\$19,687,842	3,924	\$22,404,407
Community & Technical Colleges	\$63,821,631	26,844	\$67,748,100
Private Career	\$3,608,521	1,506	\$3,596,127
Total	\$167,042,731	50,792	\$181,860,455

¹Full-time equivalent enrollment, not actual headcount.

²Includes matching federal LEAP funds, pilot project & TRIO

Source: 2006-2007 State Need Grant Final Interim Report

Table 12 **State Need Grant, by Institution**
2006-2007 Awards & 2007-2008 Reserves

	2006-2007		2007-2008
	Amount Awarded	Served FTEs ¹	Amount Reserved ²
Research			
University of Washington	\$28,514,080	6,006	\$31,822,682
Washington State University	\$19,076,902	3,940	\$21,548,570
Comprehensive			
Central Washington University	\$9,422,258	2,412	\$9,961,165
Eastern Washington University	\$9,603,839	2,585	\$10,325,244
The Evergreen State College	\$4,623,824	1,226	\$5,003,363
Western Washington University	\$8,682,146	2,349	\$9,450,797
Private Four-Year			
Antioch University	\$317,348	65	\$360,151
Bastyr University	\$274,019	52	\$301,773
Cornish College of the Arts	\$699,794	134	\$964,042
DigiPen	\$190,001	37	\$365,137
Gonzaga University	\$1,973,668	395	\$2,205,765
Heritage University	\$2,387,956	459	\$2,594,900
Northwest College of Art	\$90,308	18	\$100,022
Northwest University	\$919,784	181	\$1,023,002
Pacific Lutheran University	\$2,904,344	609	\$3,439,037
Saint Martin's University	\$1,523,618	306	\$1,662,747
Seattle Pacific University	\$1,674,945	336	\$1,961,561
Seattle University	\$3,131,547	622	\$3,406,734
University of Puget Sound	\$772,035	154	\$878,703
Walla Walla College	\$798,614	153	\$844,673
Whitman College	\$253,941	48	\$325,990
Whitworth College	\$1,807,179	356	\$1,970,170

¹Full-time equivalent enrollment, not actual headcount

²Includes matching federal LEAP funds, pilot project & TRIO

Source: 2006-2007 State Need Grant Final Interim Report

**Table 12 (Cont.) State Need Grant, by Institution
2006-2007 Awards & 2007-2008 Reserves**

	2006-2007		2007-2008
	Amount Awarded	Served FTEs ¹	Amount Reserved ²
Community & Technical Colleges			
Bellevue Community College	\$1,975,832	862	\$2,174,400
Big Bend Community College	\$1,427,741	619	\$1,492,262
Cascadia Community College	\$360,379	147	\$400,750
Centralia College	\$1,212,783	512	\$1,307,143
Clark College	\$3,357,780	1,445	\$3,457,336
Columbia Basin College	\$2,153,369	916	\$2,370,184
Edmonds Community College	\$2,500,348	996	\$2,642,680
Everett Community College	\$1,899,026	782	\$2,062,347
Grays Harbor College	\$961,716	408	\$1,001,814
Green River Community College	\$2,130,899	914	\$2,253,620
Highline Community College	\$2,328,949	966	\$2,517,603
Lower Columbia College	\$1,767,253	732	\$1,811,096
North Seattle Community College	\$1,142,771	489	\$1,207,944
Northwest Indian College	\$303,994	116	\$299,428
Olympic College	\$1,614,492	687	\$1,682,835
Peninsula College	\$818,644	362	\$886,252
Pierce College	\$1,924,806	825	\$2,080,430
Seattle Central Community College	\$2,349,973	999	\$2,575,750
Shoreline Community College	\$1,587,462	668	\$1,612,729
Skagit Valley College	\$1,622,889	681	\$1,708,980
South Puget Sound Community College	\$1,820,255	743	\$1,852,053
South Seattle Community College	\$1,093,114	466	\$1,231,371
Spokane Community College	\$6,535,170	2,579	\$6,883,804
Spokane Falls Community College	\$4,288,950	1,733	\$4,548,602
Tacoma Community College	\$2,825,392	1,233	\$2,920,685
Walla Walla Community College	\$1,556,985	657	\$1,589,634
Wenatchee Valley College	\$2,366,957	1,007	\$2,539,268
Whatcom Community College	\$1,067,113	497	\$1,198,942
Yakima Valley College	\$3,267,311	1,406	\$3,429,312
Bates Technical College	\$1,025,713	440	\$1,075,077
Bellingham Technical College	\$693,587	304	\$883,951
Clover Park Technical College	\$1,775,983	764	\$1,863,135
Lake Washington Technical College	\$827,562	366	\$885,323
Renton Technical College	\$859,448	364	\$871,350
Seattle Vocational Institute	\$382,120	159	\$430,010

¹Full-time equivalent enrollment, not actual headcount

²Includes matching federal LEAP funds, pilot project & TRIO

**Table 12 (Cont.) State Need Grant, by Institution
2006-2007 Awards & 2007-2008 Reserves**

Proprietary	2006-2007		2007-2008
	Amount Awarded	Served FTEs ¹	Amount Reserved ²
Art Institute of Seattle	\$1,118,250	460	\$1,090,148
Clare's Beauty School	\$106,370	44	\$106,241
Crown College (closed summer 2007)	\$19,789	8	n/a
Divers Institute of Technology	\$45,750	19	\$45,903
Everest College (formerly Bryman)	\$338,653	142	\$337,575
Gene Juarez Academy	\$237,071	103	\$260,858
Glen Dow Academy	\$186,165	80	\$193,185
Interface Computer School	\$171,973	69	\$178,830
International Air Academy	\$57,363	24	\$64,423
ITT Technical Institute-Seattle	\$290,465	114	\$267,587
ITT Technical Institute-Spokane	\$626,192	262	\$617,584
Perry Technical Institute	\$430,620	183	\$433,793

¹Full-time equivalent enrollment, not actual headcount

²Includes matching federal LEAP funds, pilot project & TRIO

Source: 2006-2007 State Need Grant Final Interim Report

During the 2007 legislative session, the income eligibility cutoff was increased to 70 percent of the state's median family income (MFI), or about \$50,500 for a family of four, and went into effect in fall 2007. These students will receive 50% of the maximum SNG award. In the 2007-2009 biennium, \$4.75 million per year was appropriated for this expansion. Despite this change and the increased appropriation, the gaps between the award and tuition are expected to remain essentially unchanged for 2007-08 (Table 13).

**Table 13 State Need Grant Awards as a Percent of Tuition,
by Sector, 2007-08**

Sector	Avg. SNG Award	Avg. Tuition ¹	Tuition less SNG	SNG Award as % of Tuition
Research	\$5,564	\$6,224	\$660	89%
Comprehensive	\$4,188	\$4,563	\$375	92%
CTC/Private Voc	\$2,502	\$2,676	\$174	93%
Private Four-year	\$5,798	\$6,224	\$426	93%

¹The maximum grant for State Need Grant recipients at private four-year colleges is limited to the value of tuition and fees at the public four-year research institutions. Therefore, the tuition recognized for private four-year colleges is the same as the public research sector.

Institutions that participate in the State Need Grant program are required to submit quarterly interim reports detailing their expenditures and the eligibility of their enrolled students. Based on the early November report, it appears the State Need Grant program will again be 100 percent expended by the end of the 2007-08 academic year.

The governor and the legislature provided more funding in 2006-07 than was provided for 2005-06 in order to keep pace with tuition increases. Early estimates show that this funding level may be sufficient to reduce the unserved student population. These estimates also indicate that there will again be more SNG-eligible students than the program will be able to serve.

Appendix B**State Work Study Program Update****Overview**

Included in this update on the State Work Study (SWS) program are detailed expenditures for fiscal year 2006-07, a summary of 2006-07 year-end student earnings for each participating institution, and descriptions of current and planned activities.

During 2006-07, 9,313 students earned \$25 million, through the State Work Study program. With an increase in funding, the program expects to serve an additional 400 students in 2007-08.

The State Work Study program is a form of *self-help* designed to assist a broader band of disadvantaged students than the State Need Grant program and to complement grant and scholarship aid. As a result, it includes any financially needy student, rather than being limited to students with the lowest family incomes.

State Work Study award amounts are determined by the student's institution based on the student's demonstrated financial need. The employer pays the student and is reimbursed for a portion of the student's earnings, typically between 65 and 80 percent. Currently, 55 institutions and approximately 3,200 employers contract to participate in the State Work Study program.

2006-2007 Background and Summary

During 2006-2007, students earned more than \$25 million through the State Work Study program. The employer matches accounted for about \$6.4 million of this total. In 2006-2007, the Higher Education Coordinating Board had a total of \$19.4 million available, including \$366,267 in federal matching funds, for awards to students. The funding allowed the HECB to serve 9,313 students, who on average earned nearly \$2,700 last year. Of the \$19.4 million, \$500,000 went to institutions for special community service projects, which are described in more detail below. All or nearly all of the general funds appropriated to the SWS program have been fully expended for the last several years and staff anticipates this trend will continue, due to stable or decreased funding for the Federal Work Study program.

As college costs increase and the number of needy students grows, the ratio of needy students being served by the program has declined. During 1997-98, one in 12 financially needy students received a State Work Study award. The most recent ratio stands at one state work study award for every 14 financially needy students.

Tables 15, 16, 17, and 18 provide additional details about program operations and expenditures and a list of student earnings by sector and institution.

Table 14 SWS Program Operations, 2006-07

Resources:	
Total Wages Earned	\$25,039,532
State Portion of Wages	\$18,688,746
Employer Match	\$6,350,786
Percent of Employer Match	24%
Funding Sources:	
SWS Appropriation	\$19,041,000
Federal Funds	\$366,267
Prior Year Carry Forward	\$50,231
Total	\$19,457,498
Expenditures:	
State Portion of Wages	\$18,688,746
Grants to Institutions	\$200,147
Admin. Allowance to Public Inst.	\$369,488
HECB Administration	\$192,005
Total	\$19,450,386
Carry Forward to 2007-2008	\$7,112

**Table 15 State Work Study Percent of General Fund Expended
FY 2001-02 through FY 2006-2007**

Year/Biennium	General Fund State Appropriation	Percent Expended
FY 2001-02	\$16.3 million	99%
FY 2002-03	\$17.4 million	100%
FY 2003-04	\$17.0 million	100%
FY 2004-05	\$17.0 million	100%
FY 2005-06	\$17.9 million	99%
FY 2006-07	\$19.4 million	100%
FY 2007-08	\$20.3 million	n/a

**Table 16 Earnings of State Work Study Students
by Sector & Institution, 2006-2007**

Sector ¹	Amount Earned	# Students ²	Avg. Earnings
Public Four-Year	\$7,230,385	2,927	\$2,470
Private Four-Year	\$8,345,475	2,731	\$3,056
Community & Technical Colleges	\$9,463,672	3,671	\$2,578
Total	\$25,039,532	9,313	\$2,688

¹ For-profit institutions are not eligible to participate² Students who transfer between sectors are counted in each sector; the total is an unduplicated count

Table 17 Earnings of State Work Study Students, by Institution, 2006-07

	Amount Earned	# of Students
Research		
University of Washington	\$1,876,430	513
Washington State University	\$1,995,615	1,143
Comprehensive		
Central Washington University	\$946,662	302
Eastern Washington University	\$865,255	353
The Evergreen State College	\$446,977	183
Western Washington University	\$1,099,446	433
Private Four-Year		
Antioch University	\$50,931	12
Bastyr University	\$196,670	146
Cornish College of the Arts	\$335,264	168
Gonzaga University	\$1,994,573	514
Heritage University	\$195,680	86
Northwest University	\$109,344	31
Pacific Lutheran University	\$930,130	294
Saint Martin's University	\$176,665	61
Seattle Pacific University	\$1,023,394	300
Seattle University	\$1,665,258	394
University of Puget Sound	\$867,809	295
Walla Walla University	\$225,947	67
Whitman College	\$252,053	217
Whitworth University	\$321,757	146
Community & Technical Colleges		
Bellevue Community College	\$216,783	87
Big Bend Community College	\$205,634	117
Cascadia Community College	\$60,703	21
Centralia College	\$99,415	39
Clark College	\$690,586	311
Columbia Basin College	\$412,786	173
Edmonds Community College	\$288,135	73
Everett Community College	\$194,987	82
Grays Harbor College	\$129,782	53
Green River Community College	\$24,427	13
Highline Community College	\$223,705	95
Lower Columbia College	\$779,237	305
North Seattle Community College	\$285,868	138
Northwest Indian College	\$9,936	10
Olympic College	\$67,806	16
Peninsula College	\$97,823	47
Pierce College	\$226,579	74
Seattle Central Community College	\$147,765	55
Shoreline Community College	\$210,003	71
Skagit Valley College	\$123,104	57
South Puget Sound Community College	\$219,802	54
South Seattle Community College	\$74,388	41
Spokane Community College	\$1,046,182	286
Spokane Falls Community College	\$733,975	317
Tacoma Community College	\$808,274	221
Walla Walla Community College	\$128,552	25
Wenatchee Valley Community College	\$277,800	144
Whatcom Community College	\$327,363	118
Yakima Valley College	\$336,056	162
Bates Technical College	\$307,125	94
Bellingham Technical College	\$64,715	62
Clover Park Technical College	\$314,611	153
Lake Washington Technical College	\$184,304	55
Renton Technical College	\$115,463	83
Seattle Vocational Institute	\$29,998	25

Source: 2006-2007 Unit Record Report

State Work Study Community Service Projects

For over a decade, the State Work Study program has funded colleges to conduct more than a hundred Community Service Projects. The projects address pressing community needs across a wide range of service areas including: literacy advancement, first generation and ethnic minority outreach, elementary and middle school tutoring, community health and mental health care, drug education and public safety, and environmental improvement.

One of last year's projects mobilized a group of about 10 students to restore and sustain salmon habitats. Students worked in a habitat, promoted the program throughout the community in order to locate volunteers, and engaged in fund raising activities.

This project exemplifies the learning potential of work study placements. Some projects have been adopted by colleges and communities even after SWS funding ends so that other students have an opportunity to make positive change in their communities while paying for their college education.

Student Profile

In 2006-2007, 55 percent of students utilizing the State Work Study program met a definition of an "independent" or nontraditional student. Students who are older, have families of their own, or are former foster care youth are examples of students who are considered independent. These students had an average family income of \$12,432. For "dependent" students, family income averaged \$42,498.

The median age of SWS recipients was 22. Sixty-six percent of the students were female and 36 percent reported themselves as being in an ethnic or racial minority. Though the program places a priority on serving Washington residents who enroll as undergraduate students, the program does serve a modest number of graduate students and some non-resident students. Additional information about last year's State Work Study recipients can be found in Table 16 below.

Table 18 **State Work Study Student Profile, 2006-07**

<u>Age Categories</u>		<u>Students with Families</u>	
<21	38%	Married	13%
21-23	21%	Married with Children	8%
>=24	41%	Single Parents	20%
median age = 22			
<u>Gender</u>		<u>Race/Ethnicity</u>	
Female	66%	American Indian	2%
Male	34%	Asian/Pacific Islander	8%
		Black	6%
		Hispanic	8%
<u>Dependent Students</u>		Other/Unknown	12%
% Dependent	45%	White	63%
Average Parent Income	\$42,498		
<u>Independent Students</u>			
% Independent	55%		
Average Income	\$12,432		

Source: 2006-2007 Unit Record Report

State Work Study Employers

Integral to the program are the participating employers. They not only provide jobs and earnings, but opportunities for students to build workplace skills and test career choices. More than 40 percent of the state work study students' dollars are earned in off-campus placements. Nearly 3,200 off-campus employers contract annually to accept State Work Study-eligible students. They include private for-profit, private non-profit and public and federal employers. Many provide opportunities in high-demand job areas.

Following are examples of off-campus State Work Study employers, by type of business:

Private For-Profit (Total = 2,270)

- Amazon
- American Express Financial Services
- Law Office of William Harris
- Merrill Lynch Financial Services
- Mid Columbia Engineering
- Northwest Medical Group
- Pullman Family Dentistry
- State Farm Insurance
- Sylvan Learning Center
- Zymogenetics

Private Non-Profit (Total = 660)

- American Red Cross
- Big Brothers Big Sisters
- Boys and Girls Clubs
- Camp Fire USA
- Fred Hutchinson Cancer Research Center
- Salvation Army
- Seattle Children's Museum
- Seattle Institute for Biomedical Clinical Research
- Tulalip Tribe
- Washington Contemporary Ballet

Public / Federal Employers (Total = 270)

- City of Seattle
- Federal Home Loan
- Government Accountability Services
- Kennewick General Hospital
- King County
- Pierce County Alliance
- School Districts-Seattle and Spokane Public School Districts
- State Agencies (e.g., DSHS, Fish & Wildlife)
- Timberland Regional Library
- U.S. Forest Service

2007-2008 Update

For 2007-08, with an increase of \$1,284,000 in the appropriation, the HECB has \$21.3 million available for student wages from state and federal sources to serve an estimated 9,560 students. Staff anticipate that all funds will be fully expended again this year.

State Work Study High Demand

The State Work Study High Demand program, established during the 2007 legislative session and implemented in fall 2007, provides eligible students with teaching experiences in secondary school math and/or science classrooms. By experiencing the challenges and opportunities of the classroom first-hand, students will be able to test their interest in a teaching career and to decide whether to utilize other forms of dedicated aid, such as the Future Teachers Conditional Scholarship, which requires teaching service after graduation in exchange for financial aid while they are completing their degree.

Nine institutions across the state were awarded over \$250,000 in funding to implement State Work Study High Demand projects. By the end of the 2007-08 fiscal year, over sixty students will have participated in the program.

State Work Study Community Service Projects

In fall 2007, 14 community service projects across Washington were funded at more than \$400,000 and will employ over one hundred SWS students. These projects will focus on community improvements in the areas of health care, math and science education, domestic violence prevention, and other community needs.

Appendix C**Gaining Early Awareness and Readiness for Undergraduate Programs (GEAR UP)****Overview**

Gaining Early Awareness and Readiness for Undergraduate Programs (GEAR UP) is a partnership of the Higher Education Coordinating Board, Office of the Governor, the University of Washington, College Success Foundation, and a number of national, state, and local organizations. Washington's GEAR UP program encourages low-income middle and high school students to stay in school, study hard, have high expectations, and go to college. In 2005, the state of Washington received a new six-year \$21 million federal grant. The new program focuses on preparing 1,000 low-income seventh graders across the state for college success by providing intensive tutoring, mentoring, and college/career planning information throughout their middle and high school years.

Included in this update are measures of student success, a summary of the 2006-2007 scholarship disbursements by sector for GEAR UP Grant I, and an update on new activities.

2006-2007 Summary

The Washington State GEAR UP's Scholars Project sites are located in:

- Bellingham
- Federal Way
- Monroe
- Vancouver
- West Valley
- Everett
- Okanagan
- Inchelium
- Quincy
- Wapato
- Wenatchee
- East Wenatchee

During the 2006-2007 year, GEAR UP students participated in several mentoring activities.

- 88 percent of students received tutoring, homework assistance, and/or academic enrichment activities
- 89 percent of students and 86 percent of parents received counseling, advising, academic planning, and/or career counseling services
- 82 percent participated in college visits and/or college student shadowing opportunities and achieved measurable success
- 83 percent of students were performing at or above grade level in English or Language Arts classes
- 85 percent of students were performing at or above grade level in math classes

Currently, 400 students receive college scholarships as a result of participation in Washington's "Grant One" State GEAR UP program. The amount of the scholarship for 2006-2007 was \$4,000. Following is a breakdown, by sector, of the scholarships awarded.

Table 19 **GEAR UP Grant I**
Scholarship Recipients by Sector, 2006-07

Sector	Amount Paid	# of Students
Public Four-Year	\$481,788	140
Private Four-Year	\$164,825	40
Community & Technical Colleges	\$563,251	220
Total	\$1,209,864	400

Building Outreach and Access Networks

One of the primary goals of the Washington State GEAR UP program is to engage in outreach activities throughout the state, region, and nation. Some of the major activities completed during 2006-07 include the following:

- The Washington State GEAR UP program hosted the first Northwest GEAR UP Regional Conference in Spokane in the fall of 2007. About 300 participants from Washington, Oregon, Montana, Wyoming, Idaho, Nevada and Washington DC attended the two-day conference intended to create collaborations among states.
- The Washington State GEAR UP program organized statewide GEAR UP directors meetings to formulate policy advocacy for the GEAR UP community and to coordinate college awareness and readiness campaigns.
- Working with other partners, the Washington State GEAR UP plays an important role in helping grassroots campaigns for national college access programs such as College Goal Sunday and KnowHow2GO.

2007-2008 Update

GEAR UP expansion

For the first time, the governor and legislature provided \$2.5 million for the Washington State GEAR UP program to expand services to 25 additional school districts. The GEAR UP for Student Success Expansion targets school districts where the majority of students are eligible for free and reduced lunch rates and who do not have a meaningful, structured, college access and success program.

Web site development

Washington State GEAR UP is currently developing a web site with information that guides students, parents, school personnel in their preparation for post-secondary education. The web site will include interactive elements and combine fun and education in getting the information to target population. The site, www.gearup.wa.gov, is scheduled to go live in January or February of 2008.

New outreach branding

GEAR UP is in the process of creating a new branding for GEAR UP in the media campaign with new logos that are consistent with the look and feel of the Higher Education Coordinating Board's logo. In addition, the branding also will be part of a new brand image for the Student Financial Assistance Division.