



January 2011

Impact of the Governor's Proposed 2011-13 Budget on Student Aid

Executive Summary

With the state of Washington facing one of the worst budget shortfalls in history for 2011-13, the Governor has proposed a higher education budget that would reduce overall expenditures from 5 to 6 percent.

State appropriations would be cut more than 10 percent in the Governor's budget – by \$334.7 million. However, tuition increases of 9, 10, and 11 percent respectively, would be permitted at the comprehensive institutions, the community and technical colleges, and the research universities and Western Washington University, to make up for part of the cut.

The Governor's budget includes \$91.6 million in additional funding for the State Need Grant (SNG) program, which will be used to match the tuition increases dollar-for-dollar. This continues a 10-year practice of funding the SNG so that it keeps pace with tuition increases.

Despite this additional funding, the level of un-served students in the State Need Grant program is expected to continue in 2011-13. Currently more than 22,000 students who qualify for a SNG are un-served. This compares with 5,500 who were un-served in the 2008-09 academic year.

Other financial aid programs did not fare as well in the Governor's proposed budget. The State Work Study program, the second largest need-based financial aid program, would be cut by 45 percent from 2009-10 levels.

In addition, all other state financial aid programs would be suspended for new recipients. The budget would fulfill all existing financial aid obligations in these programs, however.

The following student aid programs are suspended for new students but will fulfill commitments to previously selected students:

- Washington Scholars
- WAVE
- Future Teachers Conditional Scholarship
- Health Professionals Conditional Scholarship/Loan Repayment*
- WICHE Professional Student Exchange
- Passport to College Scholarship for former foster youth

*Provides minimum state-funded match to maintain federal grant.

The following programs provide funding to institutions or non-profit organizations to support students and are not funded in the Governor's proposed budget:

- Leadership 1000
- Community Scholarship Matching Grant
- Child Care Grants
- CAMP (College Assistance to Migrants Program)

The details by program including total number of students affected are included for the Board's review.

Governor's Proposed 2011-13 Financial Aid Budget								
	Carry Forward Level			Governor's Proposal (in millions)			Impact of Budget	Assumptions
	FY 12 CFL	FY 13 CFL	Biennium Total CFL	FY 12	FY 13	Biennium		
State Need Grant	\$234.90	\$227.30	\$462.20	\$262.33	\$291.36	\$553.69	Maintains commitment to hold lowest income served students harmless from T/F increases.	T/F assumptions are 11% research & WWU, 10% regionals, & 9% CTCs. Does not fund unserved students.
State Work Study	\$21.80	\$23.74	\$45.54	\$12.25	\$11.95	\$24.20	Reduces program by 47% from CFL. Reduction began in FY 11. Est. 6,900 lose work opportunities.	Employer match & non-resident policies assumed to remain.
Passport - Foster Youth	\$2.24	\$2.24	\$4.48	\$1.50	\$1.20	\$2.70	No new students - 225 fewer served per year.	Funds student scholarships and institutional incentive payments.
WA Scholars	\$2.72	\$3.24	\$5.96	\$2.00	\$1.20	\$3.20	No new awards - 147 fewer served per year.	No awards will be made out of the current 2010-11 application cycle. Awards continue to be prorated at 90% of tuition and fees.
WAVE	\$1.28	\$1.45	\$2.73	\$0.90	\$0.60	\$1.50	No new awards - 147 fewer served per year.	No awards will be made out of the current 2010-11 application cycle
Health Professional	\$4.35	\$4.35	\$8.70	\$0.53	\$0.53	\$1.06	Serves 105 fewer health professionals per year.	Previously selected students will continue to receive awards. Provides match for federal grant within State Loan Repayment Program.
WICHE Prof. Stu. Exchange	\$0.21	\$0.21	\$0.42	\$0.11	\$0.02	\$0.13	No new awards (suspension began in FY 11)	Costs are to honor commitments to current students. The costs do not assume dues payments to WICHE. WICHE dues are an additional \$130,000 per year.
GEAR UP - State	\$1.50	\$1.00	\$2.50	\$1.50	\$1.20	\$2.70	Maintains & enhances state expansion of GEAR UP.	Currently provides assistance to implement GEAR UP activities and services in 25 school districts serving students from predominantly low-income families.
Future Teacher	\$1.00	\$1.00	\$2.00	\$0.00	\$0.00	\$0.00	No new students - 100 fewer served per year (suspension began in FY 11).	Previously selected students will continue to receive awards.
Community Scholarship Matching Grant	\$0.25	\$0.25	\$0.50	\$0.00	\$0.00	\$0.00	No new matching grants to communities.	
CAMP	\$0.025	\$0.025	\$0.05	\$0.00	\$0.00	\$0.00	No grants to institutions.	
Child Care Institutional Grants	\$0.075	\$0.075	\$0.15	\$0.00	\$0.00	\$0.00	No grants to institutions.	
Leadership 1000	\$0.40	\$0.40	\$0.80	\$0.00	\$0.00	\$0.00	No support to College Success Foundation.	Support to CSF to raise private funding for student scholarships would be suspended.
Foster Care Endowment Contributions	\$0.075	\$0.075	\$0.15	\$0.00	\$0.00	\$0.00	Continuation of no student awards.	Endowment created in 2005 - private contributions have not reached match requirement.
Total	\$271	\$265	\$536	\$281	\$308	\$589		