Keeping college affordable:
Annual report on state financial aid programs

January 2010

WASHINGTON HIGHER EDUCATION COORDINATING BOARD

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Washington Opportunity Pathways
Keeping College Affordable: Annual Report on State Financial Aid Programs

Executive Summary

The state of Washington has a longstanding commitment to postsecondary education opportunities for all students, regardless of income. This has been especially noteworthy during the current recession which has seen greater enrollments of lower income students and an unprecedented need for student aid.

The annual report of state student financial aid provides members of the Higher Education Coordinating Board and the Legislature with the historical record of state aid programs, as well as highlights of evolving policy and programmatic improvements.

The report includes an overview of aid received by needy students in 2008-09, a summary of recent state and federal legislative changes to financial aid, a description of notable activities, and key program briefs and budgetary information.

Highlights of the report include:

- 170 million additional dollars to 9,000 more students in 2008-09, compared to the previous year.
- Applications for aid continue to rise, numbers of unserved students in State Need Grant are expected to increase, and demand for State Work Study dollars by institutions exceed allocations.
- For the first time, the Board received information on 14,000 resident undergraduate non-needy borrowers, in addition to the 65,000 needy resident undergraduate borrowers.
- Washington continues to rank high nationally in support of need-based aid, but the growth is attributed largely to public sector tuition increases.
- Federal stimulus funding helped offset cost to state aid programs.

Projections for 2009-10 are included throughout the report, particularly within the program briefs for State Need Grant and State Work Study. Briefs also are included on the early outreach programs which are College Bound Scholarship and GEAR UP.

This report also serves as a primer for use in the current 2010 legislative session. As such, a list of budget drivers by program is included in Appendix A.

State Financial Aid in Context of the Strategic Master Plan

The central goal of the Strategic Master Plan for Higher Education, endorsed by the Legislature as state policy in 2008, is to increase the number of degrees, certificates, and apprenticeships earned annually by Washington residents, by at least 40 percent over the next two decades.

To accomplish this goal, many more young students need to continue on to postsecondary education directly after high school. Adult workers who lack basic education and higher-level job skills need training.

The 'new' students needed to meet Strategic Master Plan goals must come from groups who are not participating in higher education proportionate to their presence in the population: students from families with low incomes, certain ethnic and racial groups, and those who come from families with no college-going history.

This potential student pool is one of the most rapidly growing demographic groups in our K-12 population. It is estimated that by 2030, more than 37 percent of K-12 students will come from groups currently under-represented in higher education.

Nearly 45 percent of Washington families of four earn less than $50,000 per year compared to the state's median family income of $75,000 per year. More than 35 percent of the state's K-12 students qualify for free or reduced-price lunches. And, since 1989, the state's median family income has doubled while the cost of tuition has more than tripled.

The disadvantages of poverty, race, language barriers, and family history can be daunting to students who aspire to postsecondary education. Many young people see the high cost of college as an impenetrable barrier and simply opt out of considering higher education as a viable alternative.

Washington will not be able to meet its goal of raising educational attainment, unless it provides support for these students. The support needed is pervasive early outreach programs, more rigorous college-preparatory programs in middle and high school, improved degree pathways, and, most importantly, adequate levels of financial aid to ensure that any student who desires to attend college can afford to do so.

Financial aid plays a central role in the financing of higher education in Washington. State aid disbursements totaled more than $231 million annually to more than 77,000 students. Nearly all of this aid is need-based, directed to students whose families earn
30 percent less than the state's median household income of $75,000. For a family of four, this means an annual income of no more than $54,500.

Key Questions

I. How much financial aid did students receive in 2008-09? 5
What do we know about students who borrow? 6
What do we know about graduate students? 6

II. How has Washington funded financial aid historically? 8
How much has State Need Grant grown in the last decade? 8
What is the primary driver for SNG growth? 8
How does the failing economy affect financial aid applications? 9

III. What 2009 state and federal changes impacted student aid programs? 10
How has the EOG Program for transfer students been modified? 12
What is Washington Opportunity Pathways? 13
What is the Web Portal Study? 13
How was the Passport Program modified? 14

IV. What other activities did the Board assume in the past year? 15
What is theWashBoard.org? 15
How much of students' need was covered by aid? 17

V. What were state financial aid expenditures by program? 19

VI. Key Program Briefs 23
What are State Need Grant Program details? 23
What are the State Work Study Program details? 29
What are the College Bound Scholarship Program details? 38
What are the GEAR UP Program details? 40

I. How much financial aid did students receive in 2008-09?

In 2008-09, a total of $1.8 billion was provided to about 144,000 needy Washington students from state, federal, and other sources. This is about a $170 million and 9,000 student increase from 2007-08. The total aid was in the form of grants, work study awards, and loans. As in previous years, the federal government provided the majority of the aid. About 75 percent of the federal aid was in the form of loans.

The 14 percent that comprised state aid included $231 million disbursed through programs administered by the Higher Education Coordinating Board. About 77,400 students attending 82 colleges and universities received state assistance last year through these programs.

More than 88 percent of state aid at the Board is in the form of grants and scholarships. The remaining 12 percent is in the form of work study and a small percent representing forgivable loan programs.

The figures in **Charts 1** and **2** represent state, federal, institutional, and other private sources of financial aid disbursed to Washington students for the 2008-09 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 (SNG) 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
(2008-09 academic year)

Chart 1
Financial Aid by Source

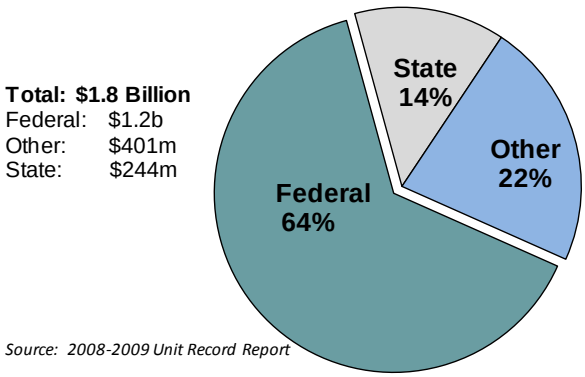
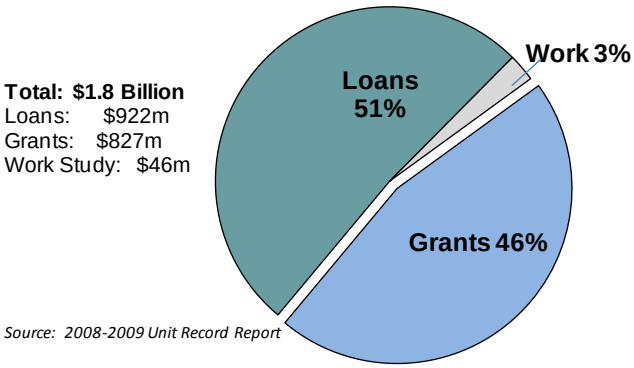


Chart 2
Financial Aid by Type



What do we know about students who borrow?

For the first time, institutions reported to the HECB all federal borrowing; including non-needy recipients (see *What changes were made to the Unit Record Report*, page 15). About 82 percent of resident undergraduate borrowers received need-based aid.

Annually, about 64 percent of needy students receive loans (92,042 borrowers). Of these needy student borrowers, 71 percent are resident undergraduates. The average loan amount for resident undergraduate non-needy students is slightly higher than resident undergraduate needy students ($8,849 versus $7,332 respectively). **Table 1** provides a summary of borrowing by sector for resident undergraduates.

Table 1
Resident Undergraduate Borrowers by Sector, 2008-09

Sector	Need-Based Aid Recipients with Loans	Average Annual Loan	Non Need-Based Aid Recipients with Loans	Average Annual Loan
4-Year Public	28,698	$7,726	8,989	$10,256
2-Year Public	22,294	$4,883	3,503	$4,533
4-Year Private	9,058	$10,754	1,108	$10,928
Private Career	5,528	$8,976	437	$8,225
Total	**65,146**	**$7,332**	**13,988**	**$8,849**

What do we know about graduate students?

Over 15,000 graduate students received need-based aid and 98 percent borrowed loans. However, 15 percent of the total aid needy graduate students received was in the form of scholarships and institutional aid, including fellowships[1]. About 42 percent of students attended private four-year institutions and 74 percent were Washington residents. Graduate students are not eligible for most federal and state grants.

The average loan amount for these students was about $21,000. In addition, more than 1,000 graduate students were not eligible for need-based aid but instead borrowed through unsubsidized federal loan programs. The average loan amount for these non-needy students was about $15,300.

There are no state-funded financial aid programs specifically for graduate students. However, Washington has three programs that can be accessed by these students – as shown in **Table 2.**

[1] Institutional aid to graduate students is often a form of reimbursement for services such as graduate teaching assistants.

These three programs are: 1) State Work Study, which is the only state need-based program available to graduate students; it provides awards to about 1,300 graduate students each year; 2) the Future Teachers Conditional Scholarship/Loan Repayment Program, which funded 77 graduate students in 2008-09, most of whom are working toward their Masters in Teaching degree; and, 3) the Health Professionals Loan Repayment/Scholarship program, which provided 12 awards to graduate/professional students including post-baccalaureate health profession degrees and licensures.

Table 2
Graduate Recipients of State Aid

	# of grad recipients	% of grad recipients	Approx. Dollar Value
State Work Study	1,300	14%	$5,000,000
Health Professionals	12	30%	$100,000
Future Teachers	77	68%	$770,000
Total	**1,389**	**N/A**	**$5,870,000**

II. How has Washington funded financial aid historically?

Despite the historical commitment to supporting Washington's neediest students, the demand for student aid funds continues to grow due to an increasingly eligible population during times of tuition and fee growth.

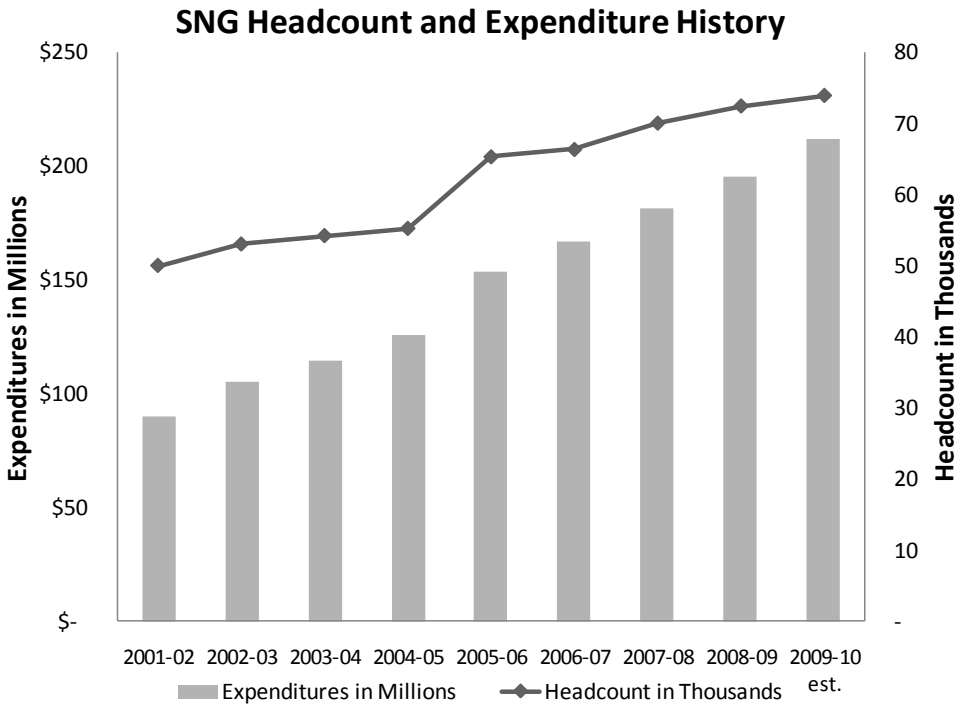
How does Washington rank nationally?

While it is difficult to adequately compare states to each other, the National Association of State Student Grant and Aid Programs (NASSGAP) supplies several measures of relative effort. According to the latest NASSGAP survey, Washington ranks from third to fifteenth, depending on the measure. For example, Washington is 13th in the nation for total aid funding compared to the state population and is 3rd in the nation in total need-based state aid per undergraduate enrollment.

How much has State Need Grant grown in the last decade?

Chart 3 indicates the State Need Grant program has grown from an appropriation of about $90 million in 2001-02 to $212 million in 2009-10. Students have increased from 53,000 to 74,000 in the same period.

Chart 3

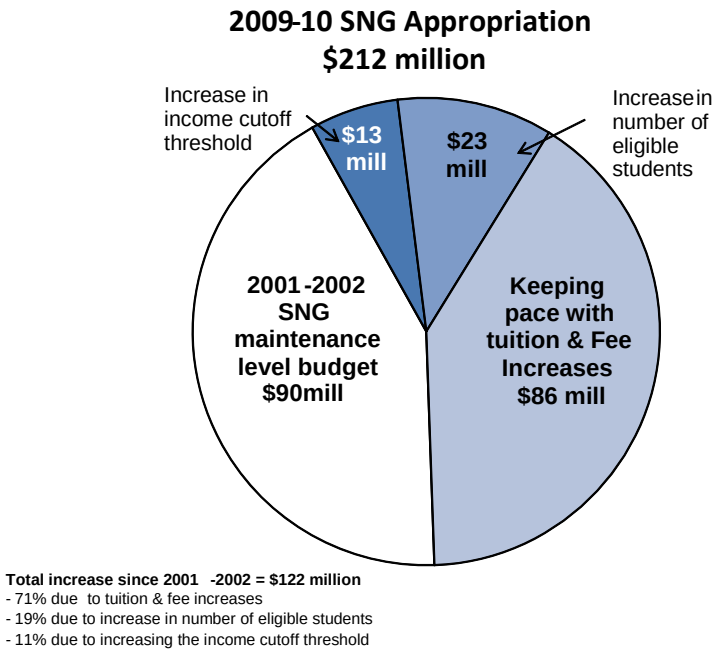


What is the primary driver for SNG growth?

An analysis indicates the major reason for growth is due to the Legislature's longstanding commitment to hold low-income students harmless from tuition and fee increases.

Chart 4 shows about 71 percent of the growth is associated with increased tuition and fees. Ten percent of the growth is a result of raising the income cutoff, and nearly 19 percent is associated with an increasing eligible SNG population in the lowest income range.

Chart 4



How does the failing economy affect financial aid applications?

Federal applications for student aid have increased 23 percent over the past year and 34 percent over the past two years. Midway through the 2009-10 year, over 385,000 FAFSA applications have been submitted by either Washington residents or non-residents applying to Washington institutions. This total has surpassed 2008-09 with six months left in the application cycle. In fact, Washington ranked 8th highest in the nation for increased FAFSA applications as of November 2009.

In fall 2009, the Board conducted a survey of financial aid directors to evaluate how the demand for financial assistance has changed compared to the previous year. Institutions reported significant increases in FAFSA applications, some as much as 100 percent.

Due to job loss among family members, more and more students are requesting revisions to the income reported on the FAFSA to reflect their current diminished financial situation. During the fall term, increased demand and increased number of revision requests created an increased workload for institutions during a time of budget cuts and hiring freezes. This often created a backlog of files waiting to be processed at institutions.

The findings from this survey and the increase in FAFSA applications clearly demonstrate that the economy has had a direct effect on financial aid programs, institutions, as well as students and their families.

III. What 2009 state and federal changes impacted student aid programs?

The 2009 state legislature made several adjustments to state aid programs including adding new program features and limiting or phasing out programs. At the same time, federal stimulus funding was allocated to federal aid programs, which was considered during the state budget allocation process.

What are Opportunity Internships?

State Need Grant eligibility expanded in the 2009 Legislative session to include low-income high school students who successfully complete an Opportunity Internship Program for high demand occupations (authorized in SSHB 1355). The first cohort of Opportunity Internship high school graduates will become eligible to receive the State Need Grant in the 2011-12 academic year.

The Opportunity Internship program will be a unique subset of the SNG program. The Workforce Training and Education Coordinating Board will select the program participants and provide the list of eligible Opportunity Internship graduates to the HECB. Graduates must enroll in a postsecondary program of study within one year of high school graduation.

The initial income qualifications to participate in the Opportunity Internship Program are based on free and reduced price lunch eligibility. Eligibility for SNG through the Opportunity Internship program is limited to one academic year. Recipients could be eligible to receive the SNG outside of the Opportunity Internship Program beyond the one year.

How were Pell Grant increases used to offset the cost to State Need Grant?

For the first time a portion of the Pell Grant increase was assumed as an offset to the amount needed for the SNG. With the American Recovery and Reinvestment Act of 2009 (ARRA), the Pell Grant maximum award for 2009-10 was increased to $5,350, compared to $4,731 in 2008-09. The value of the Pell Grant increased at a higher rate than the rate of increase of non-tuition costs (books, room, and board, etc.) for Washington students. The portion of the Pell Grant that exceeded the non-tuition cost was therefore used to reduce the amount needed for the SNG.

These Pell Grant offset amounts saved the state of Washington approximately $3 million in the 2009-10 academic year and $12 million in the 2010-11 academic year within the SNG program.

How were high demand fields incorporated into State Work Study?

The 2009 Legislature established a new placement priority within State Work Study for high employer demand positions. An occupation is considered high employer demand if the field has a substantial number of current or projected employment opportunities that exceed the number of graduates prepared for employment in that field. Some examples of fields currently considered to be high employer demand include nursing, teaching, mechanical engineering, science technology, and computer programming.

Institutions have the opportunity to access additional SWS wage and administrative support dollars through the new SWS High Employer Demand (HED) program. This project-based approach directs additional SWS resources to institutions ready to link participating SWS students with job experiences evidencing strong future growth potential that will directly contribute to Washington's long-term economic vitality. For more details, see *What are the State Work Study program ?*, page 29.

How was SWS usage by non-residents limited?

The 2009 Legislature modified the SWS Statute to set a maximum state expenditure level for non-residents participating in the program. While schools continue to meet the previously existing requirement that residents receive priority in SWS funding, the percentage of state funds utilized by non-residents now should not exceed 15 percent of the overall amount of state funds expended on student wages.

In consultation with the HECB, institutions with larger than average non-resident expenditure levels have submitted plans to ensure that non-resident earnings will be reduced. Examples of institutional strategies designed to reduce non-resident SWS earnings include:

- Increasing SWS award amounts for resident students.
- Increasing need thresholds for non-residents to be awarded SWS.
- Limiting allowable time periods when non-residents can earn SWS dollars.
- Implementing more robust tracking mechanisms.

How was stimulus funding directed to Federal Work Study?

Washington schools participating in the Federal Work Study (FWS) program received an additional $2.7 million in new FWS funds due to ARRA funding. However, there are several important caveats to these FWS increases:

- ARRA monies are expected to be temporary "one-time funds"; the 2009-10 increases in FWS for Washington schools are not expected to continue in 2010-11.
- FWS increases were not evenly distributed among all of the participating Washington institutions. Many institutions saw no change in allocation as their base level funding decreased by the same amount as the ARRA funding. Some institutions saw their FWS allocations decrease from the prior year, even with ARRA funding.
- Not all of the FWS increases will be utilized to fund student employment opportunities in 2009-10. Up to 10 percent of FWS funds can be expended on prior and/or future fiscal year FWS expenditures. Up to 25 percent of FWS funds can be used to award grants to needy students.
- Overall, Washington FWS funding has been decreasing in recent years. For example, in 2003-04, the total FWS funding to Washington schools was about $17 million dollars compared to $15.5 million in 2008-09.
- Prior to the one-time ARRA FWS funding, the 2009-10 FWS base allocations for Washington institutions decreased to $15.1 million. It is reasonable to expect that 2010-11 Washington FWS resources may be less than $15 million dollars.

If Federal Work Study funding in Washington continues to decline, State Work Study funding will play an increasingly essential role providing lower and middle income students with critical employment opportunities to help pay for college.

How has the EOG Program for transfer students been modified?

House Bill 2021 mandated the phase out of the Educational Opportunity Grant (EOG) as a separately identifiable program by August 2011. At the same time it created and enhanced SNG award that provides additional support to place-bound transfer students similar to those that had been served by the EOG. Implementation of this provision is contingent on a specific appropriation for this purpose.

Established in 1990, the EOG program provides a financial incentive ($5,000 over two years) to encourage place-bound Washington residents who have achieved junior class standing or an associate's degree to continue their education by enrolling in a local college or by relocating to complete their baccalaureate degree. To be considered place-bound, students must be unable to continue their education without the assistance of this grant due to family or work commitments, health concerns, financial need, or similar factors.

In 2008-09, the EOG program delivered approximately $2.8 million dollars to more than 1,100 students, enabling them to pursue bachelor's degrees at sixteen colleges and universities across Washington.

Final EOG awards were made prior to August 2009, with sufficient resources to fully fund all awarded EOG students for the complete two year period of eligibility. All EOG payments must be completed by August 2011.

The HECB anticipates conducting an evaluation with the assistance of institutions and other stakeholders to determine the elements of an effective financial aid program to support transfer students. This evaluation may lead to a future budget request for the enhanced need grant award.

How were Washington Scholars awards reduced?

The Washington Scholars program received a budget reduction during the 2009 Legislative session. Historically, the award value equaled 100 percent of tuition and fees at Washington public institutions of higher education. The awards were reduced to 90 percent of tuition and fees beginning in the 2009-10 academic year.

However, because tuition and fees increased by 14 percent at public four-year institutions and 7 percent at the community and technical colleges, students attending community and colleges were the only recipients who received a smaller dollar award than they did last year.

What is Washington Opportunity Pathways?

The passage of E2SHB 2021 also required the designation of all financial aid, except federal loans, under the *Opportunity Pathway* label. According to the bill, the Legislature intended to promote and expand access to state financial aid programs by fully supporting broad access programs, designating all financial aid an *Opportunity Pathway*, and providing students with a clear understanding of available resources.

The Board has included the *Opportunity Pathway* label on printed materials and program web pages. Public institutions will be required to label the difference between full cost and tuition/fees as *Opportunity Pathway* on 2010-11 tuition statements, as well as include information on federal tax credits. In addition, all financial aid except federal loans will be labeled as *Opportunity Pathway* on award notifications or tuition statements.

The Board facilitated discussions regarding approaches to these requirements. Institutions with electronic award letters could link to a web site with an explanation, and those with paper award letters could list a web site URL. The logo below has been selected from a graphic artist competition for use in the labeling requirement.

WASHINGTON
OPPORTUNITY PATHWAYS

In addition, a web page has been created to note the total funding to higher education made by the Legislature, provide background regarding the requirement, and link to state and federal financial aid program information. The web page is located at www.hecb.wa.gov/opportunitypathway.

What is the Web Portal Study?

Another 2009 bill, SB 5043, directed the Board to convene a work group to create a plan to develop a web-based, one-stop college information portal for students and families. In the Board report submitted to the Legislature, the work group recommended the portal be developed through a phased process using the Board's financial aid portal infrastructure and integrating existing initiatives in the state.

When fully developed, the use of a recognizable brand of student aid programs and development of a higher education web portal could work together to contribute to an effective statewide marketing campaign. The campaign could promote better understanding and recognition among citizens that financial aid is available and college is accessible. A comprehensive portal would provide a brand-name site – perhaps building on the *Washington Opportunity Pathway* momentum – for students to readily access college planning, on-line application, funding, and career pathway information.

How was the Passport program modified?

The Passport to College Promise Scholarship program was created in 2007 to help students from foster care attend and succeed in college. The program is a six-year pilot and completed its first full year of serving students in July 2009. The program provides foster youth with information and assistance in preparing for college, as well as a significant scholarship for postsecondary education. The program also provides incentive grants to institutions that enhance and target their support services to foster youth.

The 2009 Legislature and the Governor affirmed the importance of getting more foster youth into higher education through the budget process. The Board was asked in the budget proviso and in follow-up legislative meetings to contract with a non-profit organization whose mission is to serve low-income, high potential students and foster youth for the purpose of implementing strategies that result in increased retention and post-secondary success of Passport students.

The College Success Foundation (CSF) was selected for that contract. The CSF is experienced in working to improve educational outcomes of foster youth – including administering the Governors' Scholarship and the "*Make It Happen"* program. The organization also is a founding partner of the Foster Care to College partnership. The Board has agreed to a $516,000 contract with the CSF to provide foster youth services related to outreach, student intervention, and community integration.

Highlights from HECB Passport legislative report submitted in December 2009 include:

- A breakthrough data exchange was developed between the HECB, the Department of Social and Health Services (DSHS), and colleges, which protects student identity while allowing financial aid and support services to be directed to the students.
- 460 foster youth were identified and confirmed as Passport eligible.
- 157 foster youth received Passport scholarship assistance valued at about $540,000.
- An additional ten students attended college out-of-state, or enrolled in other non-participating schools.
- About 75 percent of all enrolled foster youth persisted through the full academic year.
- 48 colleges committed to enhance and target student support services.
- Training events were held across the state for college personnel and foster youth providers. The events were organized in partnership with DSHS, the Casey Family Foundation, and the College Success Foundation.

The Washington State Institute for Public Policy is also directed to complete an evaluation of the Passport program with recommendations for improvement, and submit a report to the Legislature by December 2012.

IV. What other activities did the Board assume in the past year?

In addition to administering the daily operations of the state financial aid programs and implementing the recent legislative adjustments, the Board has undertaken several new projects and administrative improvements.

What changes were made to the Unit Record Report?

The Unit Record Report (URR) provides comprehensive information about financial aid and how federal, state, institutional, and private funds are distributed to needy financial aid recipients. The Board frequently receives requests for financial aid data from the Legislature and stakeholders. To improve analysis and accuracy of the data provided, the Board worked with institutions to implement the following major changes to the report.

- Disaggregation of fields to collect better information about institutional aid.
- Collection of data for all federal loan recipients including non-needy students.
- New fields added to accommodate new federal and state aid programs such as the Federal TEACH Grant and the Passport to College Scholarship.

In 37 years of collection of the URR, this is the first time data will be provided for borrowers who do not demonstrate need. This will enhance greatly the level of information the Board is able to provide regarding indebtedness in Washington (see *What do we know about students who borrow?*, page 6).

What is theWashBoard.org?

In 2009, the Washington Scholarship Coalition[2] developed an online scholarship marketplace at www.theWashBoard.org. TheWashBoard.org is a free, user-friendly, student-centered website for efficiently finding, and applying for, scholarship opportunities. Free for both students and providers, site as a clearinghouse with vetted scholarship information to match scholarship seekers with providers.

The scholarship clearinghouse database provides donors and policymakers with information to understand who is looking for financial help so they can align giving and financial aid programs with the real needs of today's students. The site also coordinates with other online tools promoting college readiness and planning.

[2] The Scholarship Coalition is a public private partnership including College Planning Network, College Spark Washington, College Success Foundation, Independent Colleges of Washington, Northwest Education Loan Association, Northwest Dollars for Scholars, Seattle Foundation, Greater Tacoma Community Foundation, and the HECB.

The coalition has secured $800,000 of project costs for Phase I of development, including $650,000 from private sources. Phase I has included product design and development, and marketing the site to providers and seekers.

On behalf of the Washington Scholarship Coalition, the HECB hosts theWashBoard.org software application, develops and manages site content, provides customer support services via web and telephone, and conducts limited data analyses.

As of January 20, 2010, there are 70 scholarship providers registered with 188 currently active scholarships listed. These scholarships represent a potential number of awards ranging from $1,475 to $4,900 with $11.5 million in total support. There are 5,000 registered scholarship seekers, mostly consisting of students, but also counselors and financial aid professionals.

What is the Federal College Access Challenge Grant?

Washington received $1.1 million each year in FY 09 and FY 10, through a two-year federal College Access Challenge Grant (CACG) administered by the Board. The goals of the CACG align well with the strategic master plan – to help schools provide information to low-income, first-generation college, and minority students and families about financial aid and the college application process.

Washington efforts include support for the College Bound Scholarship program to increase outreach and provide support to students, as well as support of other college access initiatives such as College Goal Sunday, KnowHow2Go, and NELA's "I'm Going to College" program for 5th grade students. The following four non-profit organizations have received funds to help prepare more low-income students for college: the College Success Foundation, Community Foundation of North Central Washington, Metropolitan Development Council, and Northwest Education Loan Association.

What are some Board IT achievements?

The Higher Education Coordinating Board has developed a "Portal" system for financial aid processing that is entirely web based and allows schools and end users to do a great deal of the data input and user interaction. This has significantly streamlined the operations of Student Financial Assistance staff and improved usability for institutions.

In 2002 the Board began an IT conversion project known as "Roadmap" that involved migrating all of the agency's isolated financial aid programs off of the mainframe and into a secure, web-based portal environment. The new financial aid portal is entirely web based and provides schools and end users with direct access to the system. This allows schools to make inquiries and upload data without HECB staff assistance.

In addition, all program data are captured in the same location. Awards and receivables information can now be accessed by all programs. Schools can now connect directly into the system instead of having to upload and download files. It is much easier to cross-train employees between programs because the mechanisms to operate the systems are similar.

How was the Health Professionals Program overhauled?

Several process improvements have been implemented for the Health Professionals Conditional Scholarship and Loan Repayment Program resulting in significant time savings, more uniform operations, and more reliable processing.

Health Professionals is the final program being programmed for the student financial aid portal. This program was the only considerable sized program that did not have access to the old mainframe system and operated out of standalone PC spreadsheets and databases. Staff recently returned from their offsite location at Department of Health allowing them to work more closely with the IT division to define the business rules needed for the program's automation.

This recent move incented a thorough review of all operations within the program. Some of the process improvements include: automated applications for both medical sites and medical providers, an automated error free objective scoring system, a prorated fund management system that is demand driven, the movement of receivables management to a specialized in-house position working with a professional billing and collection agency, the completion of full federal and receivable file audits, and the revision of site and provider contracts. The next programming effort will relate to the selection, awarding, and payment functions of the program.

What were the results of a financial aid awareness study?

In spring 2009, HECB sponsored a student, Betty Zhou, from the University of Washington. Ms. Zhou conducted a series of focus groups and interviews with diverse groups of students at three high schools in western Washington to address their awareness of financial aid and college costs and how they obtain information.

The results of the research project indicated that by the end of the junior year in high school, many students have received some information on college costs and know very little about financial aid. Students who indicated some knowledge of financial aid really only knew about private scholarships, and low-income students planned to rely heavily upon scholarships. Most students were unaware of the various federal and state aid programs.

Students who talked to counselors about college and financial aid, who were involved in college preparation programs, and who have parents that are knowledgeable about college had more information and were positive about their ability to attend college.

How much of students' need was covered by aid?

One measure of affordability is the extent to which sufficient financial aid covers the calculated need of students. Need is the difference between a student's cost of attendance and the student and family's ability to pay for those costs. Cost of attendance is the sum of tuition and fees plus estimated living expenses.

Because of substantial data limitations, an accurate picture of need met by student financial aid is difficult to ascertain. The data limitations are most often found for part-time students and for those enrolled for less than a full academic year. Therefore, this analysis focuses on resident undergraduate students enrolled full-time for the entire academic year.

In 2008-09, about 56,600 resident undergraduate students, or about 49 percent of all resident undergraduate students who received need-based financial aid, enrolled full-time for a full year. The calculated need of this population was an estimated $921million. Approximately 88 percent or $813 million of their need was met through financial aid programs.

Overall, fifty-three percent of need was covered by grants, scholarships, institutional aid, and work study. The other forty-seven percent was left either to be covered by federal loans or through other sources, such as non-work study employment, credit card debt, private loans, family assistance, or other financial sources. **Table 3** shows the breakdown of need met by aid by sector.

Table 3
2008-2009 Need Met by Aid Type, by Sector
Resident Undergraduate, Need-based Aid Recipients Attending Full-Time All Year
(In millions)

Sector	Public 4-Year	Private 4-Year	Community/ Technical	Private Career	Overall
Student Headcount[1]	26,013	7,801	20,891	1,925	56,627
Total Need (in millions)	$392	$226	$259	$44	$921
Total Aid	$380	$215	$186	$32	$813
% of need met by grants	52%	57%	49%	19%	51%
% of need met by work study	2%	3%	4%	0%	3%
% of need met by loans	43%	35%	19%	53%	35%
% of need met by grants, scholarships, institutional aid, & work study	54%	60%	52%	20%	53%
% of need left to be covered by loans & other sources[2]	46%	40%	48%	80%	47%

[1]Students who transfer between sectors are counted in each sector; the total is an unduplicated count.
[2] Percent of loans plus unmet need. Other sources could include employment outside of work study, credit card debt, assistance from family members, or any other financial sources not captured on the Unit Record Report.

V. What were state financial aid expenditures by program?

Table 4 provides a program-by-program accounting of state student aid programs that provided dollars directly to students. All programs are expected to provide increased allocations to additional students in 2009-10 with the exception of several conditional loan programs that will remain flat.

Table 4
State Financial Aid Program Funding to Students
2008-09 and 2009-10

Public Purpose	Program	2008-09		2009-10	
		Dollars Expended	# of Recipients	Estimated Expenditures	Estimated # of Recipients
Opportunity for Equitable Access	**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. Includes less-than-halftime students	$195.5 m	72,511	$212 m	73,900
	State Work Study Part-time work for financially needy undergraduate and graduate students	$20.9 m	9,330	$21.4 m	9,400
	Educational Opportunity Grant Need-based grant for transfer students in their junior and senior years of college	$2.8 m	1,196	$2.9 m	1,158
	Passport to College Promise Program for Foster Youth Comprehensive scholarships and support program for eligible former foster youth	$533,537	157	$1 m	240
Affordability & Merit	**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 m	463	$1.2 m	460
	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	$17,100	16	$20,200	15
Merit	**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	$2.6 m	404	$2.8 m	420
	Washington Award for Vocational Excellence[2] Two-year merit scholarship for	$1.1 m	302	$1.3 m	301

Public Purpose	Program	2008-09 Dollars Expended	2008-09 # of Recipients	2009-10 Estimated Expenditures	2009-10 Estimated # of Recipients
	three vocational students from each of the 49 state legislative districts for outstanding achievement in vocational/technical education				
Targeted to Employment Shortages	**Health Professional Loan Repayment** Provides loan repayment assistance to licensed primary care health professionals	$2.9 m	231	$3.7 m	249
	Alternative Routes to Teaching[2] Helps school districts recruit teachers in subject matter & geographic shortage areas	$2.2 m	454	$2.2 m	454
	Future Teachers Conditional Scholarship[3] Conditional loans or repayments toward federal student loans for students pursuing teaching certificates or current teachers pursuing additional ***Targeted to Employment Shortages*** endorsement in select, high-demand subject areas	$1.06 m	189	$1.06 m	189
	Health Professional Scholarship[3] Provides scholarships to students training to become primary care health professionals	$284,317	46	$329,000	42
	WICHE Professional Student Exchange Conditional loans to study optometry or osteopathy, programs not offered in Washington	$211,400	13	$203,400	12
	Washington Center Scholarships Provides financial support for student to participate in internships in Washington, D.C.	$60,000	15	$0	0
Total		**$231 m**		**$250 m**	

[1] *Includes federal LEAP and SLEAP funds, but does not include other activities assigned to the Board's oversight, but are only indirectly related to aid for students. Please see the next section.*

[2] *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.*

[3] *While in most cases the annual expenditure is closely related to the annual appropriation, for some programs the expenditure represents funds appropriated from previous years as well. Examples of this are the Future Teachers and Health Professional Conditional Scholarship programs. In these examples current year appropriations are committed to eligible students for the anticipated duration of their academic program which may extend over multiple years (Health Professionals switched to this forward funding model for the 2009-10 award year).*

In 2008-09, the Board also was responsible for administering activities that indirectly benefit students, including:

- The **Community Scholarship Matching Grant**, provided $200,000 of state monies to 100 community-based 501(c)(3) organizations. The monies were used as matching dollars for scholarship raised by the organizations. In addition per budget proviso, $46,000 was provided to the Northwest Dollars for Scholars organization for its work to develop community-based scholarship programs.
- The **College Assistance Migrant Program**, provided $25,000 in state funds to supplement the federal CAMP program at six colleges. The funds are used for educational services to migrant and seasonal farm workers and their children.
- The **Child Care Grant Program** provided over $92,000 to four-year public institutions to help promote high-quality, accessible, and affordable child care for students. A separate program for the two-year public institutions was administered by the State Board for Community and Technical Colleges.

How well were funds utilized?

HECB staff strive to achieve a 100 percent expenditure of appropriated aid each year. This was achieved for the state's major grant and work programs. The Board has the authority to transfer limited amounts between certain programs and the flexibility to carry unexpended funds forward into the next fiscal year.

However, for the 2007-09 biennia, budget provisos instructed the Board to transfer certain unexpended student aid monies into the State Education Trust Account (SETA, RCW 28B.92.140). The SETA account can be used to fund awards for any needy student but the first priority is to fulfill the state's scholarship commitment to GEAR UP students. A review of the GEAR UP program is provided on page 40.

Table 5 and **Table 6** represent the transfers by program and those that carried forward funds at the conclusion of the 2008-09 year.

Table 5
Transfers for 2008-09

Transfer FROM program	Transfer TO program	Amount
State Need Grant	State Education Trust Account	$148,898
State Need Grant	State Work Study	$108,565
Washington Award for Vocational Excellence	State Education Trust Account	$47,928
Washington Scholars	State Education Trust Account	$144,245

Table 6
Carry Forward into 2009-10

Program	Amount
Educational Opportunity Grant	$60,327
State Need Grant	$1,702
State Work Study	$13,183*
Washington Scholars	$112,045*

**The carry forward amounts for these programs originated in 2006-07 and therefore were not subject to the 2007-09 budget proviso that instructs unexpended funds be deposited into SETA.*

What were the award amounts by program?

The value of the 2008-09 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 6** and **Table 8** display the value of the award for each program.

Table 7
Maximum Award Amounts by Program 2009-2010

Program	Award Range
Alternative Routes to Teaching	$3,000 - $8,000
American Indian Endowed Scholarship	$1,000 - $1,500
Educational Opportunity Grant	$2,500
GEAR UP	$4,000
Health Professional Loan Repayment	$25,000
Health Professional Scholarship	$1,000 - $25,000
State Work Study	The award may not exceed the student's need

Table 8
Maximum Award Amounts by Program & Sector 2009-2010

Sector	Future Teachers	State Need Grant	WAVE	Scholars
Research	$7,512	$6,876	$7,547	$6,793
Comprehensive	$5,424	$5,030	$5,416	$4,875
Private Four-Year	$7,512	$6,876	$7,600	$6,840
Community & Technical Colleges	$2,928	$2,690	$3,621	$3,259
Proprietary	n/a	$2,690	$7,600	n/a

VI. Key Program Briefs

More detailed program briefs are provided for the two largest programs, State Need Grant and State Work Study and two programs focused on early awareness, the College Bound Scholarship and GEAR UP (Gaining Early Awareness and Readiness for Undergraduate Programs).

What are State Need Grant Program details?

The State Need Grant is Washington's largest financial aid program to assist lower income undergraduate students afford the cost of college. About 74,000 students will receive nearly $212 million in assistance through SNG in 2009-10.

SNG is a broadly accessible program serving a diverse group of students including young students from high school, returning adult students, recently unemployed, and students with children.

The SNG program has been utilized for several early outreach initiatives offering an early promise of the grant including the Opportunity Internship program for high school students in technical career pathways (see page 10) and the College Bound Scholarship offer to middle school students (see page 38).

SNG is a decentralized program that assigns the participating institution's dollars based on eligible student demand, and the awards are packaged by the institutions.

Budget summary

Table 9 indicates that in 2008-09; the Board had a total of $195.5 million available, including about $1.2 million in federal matching funds, for SNG awards to students at 68 participating institutions. The funding allowed the Board to serve 72,511 students. The funding increases to $212 million for 2009-10 with $1.3 million in federal matching funds expected to serve nearly 74,000 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 17 years.

Table 9
State Need Grant Budget Summary*

	2008-09	2009-10
State Appropriation	$193,758,000	$210,343,229
Federal LEAP/SLEAP Funds	$1,229,827	$1,272,246
SNG Available for Grants	$194,987,827	$211,615,475
Carry Forward SNG	$1,702	$0
Students Served (headcount)	72,511	73,900 est.
Unserved eligible students (FTE) excluding less-than-halftime	4,751	7,200 est.

*Does not include Less-than-Halftime funding

All or nearly all of the general funds appropriated to the SNG program have been fully expended for the last several years as shown in **Table 10,** and staff anticipate this trend will continue.

Table 10
State Need Grant Percent of General Fund Expended
FY 2001-02 through FY 2009-10
(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	100%
FY 2008-09	$193.8	100%
FY 2009-10	$210.3	100% est.

Estimated growth in eligible students

After completed a year of the lowest unserved students in many years, there were over 4,700 FTE unserved eligible students in 2008-09. An increase in eligible students for SNG has been anticipated for the 2009-10 year due to the increases in FAFSA applications and enrollments. In fact, institutions are reporting a 13 percent increase of eligible students over this time last year.

Award amounts by income category

The 2009 Legislature reduced the percentages of award for grant recipients with median family incomes (MFIs) between 50 and 70 percent MFI. This allowed the program to maintain the same pre-recession service levels. Recipients are receiving smaller awards at these higher MFI levels. In addition, the private four-year institution awards are now tied directly to the public research institutions. This was a cost savings measure taken by the 2009 Legislature.

In 2008-09, award amounts were prorated in three income categories, see **Table 11**. Awards are further prorated for part-time students.

Table 11
SNG Award Pro-rations 2008-09

MFI Ranges	0-50%	51-65%	66-70%
Percent of Award	100	75	50

For 2009-10, award amounts are prorated in five income categories as shown in **Table 12**.

Table 12
SNG Award Pro-rations 2009-10

MFI Ranges	0-50%	51-55%	56-60%	61-65%	66-70%
Percent of Award	100	70	65	60	50

Awards as percentage of tuition

SNG award amounts vary by sector, and as a percentage of tuition as displayed in **Table 13**. Last year, the grant awards ranged from 90 percent of tuition at the public research institutions to 97 percent of tuition at the community colleges. 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.

Table 13
State Need Grant Awards as a Percent of Public Tuition, by Sector for 2008-09 & 2009-10

Sector	Max. SNG Award 08-09	SNG Award as % of Tuition 08-09	Max. SNG Award 09-10[3]	SNG Award as % of Tuition 09-10
Research	$6,000	90%	$6,876	91%
Comprehensive	$4,416	92%	$5,030	93%
CTC/Private Voc	$2,554[1]	97%[1]	$2,690[1]	97%[1]
Private Four-year	$6,234	94%[2]	$6,876	91%[2]

[1]The CTC sector has for the past several years been implementing a credit-by-credit tuition policy. Therefore there is a different tuition and SNG award for each credit level between 12 and 15 credits; the average SNG award covers 97 percent covers the average tuition between 12 and 15 credits.

[2]The maximum tuition and fees that can be recognized for students in private four-year institutions is limited to the value of tuition and fees at the public four-year research institutions.

[3]The SNG award as a percentage of tuition for 2009-10 does not reflect the value of $55 per award that was offset by Pell increases above the cost of attendance (see page 10).

SNG student profile

Table 14 profiles the students who received a State Need Grant award during the 2008-09 academic year. Approximately 71 percent of SNG recipients enrolled full-time during the fall semester and 61 percent of SNG recipients were considered to be financially independent from their parents, based on federal criteria. In addition, 46 percent of all SNG recipients were over the age of 23.

Table 14
State Need Grant Student Profile
2008-09

Age Categories			Students with Families	
< 21	36%		Married	14%
21 - 23	18%		Married with Children	10%
> = 24	46%		Single Parents	20%
Median age =	23		Race/Ethnicity	
Gender			American Indian	3%
Female	61%		Black	8%
Male	39%		Other/Unknown	9%
Dependent Students			Hispanic	10%
% Dependent	39%		Asian/Pacific Islander	13%
Average Parent Income	$32,113		White	57%
Independent Students				
% Independent	61%			
Average Income	$16,243			

Source: 2008-09 Unit Record Report

Less-than-halftime pilot project update

In the second year of the expanded pilot program (2008-09) 1,970 students received funds totaling $500,000 – the annual limit specified in the 2007-09 budget proviso. However, 1,593 eligible students remained unserved due to lack of funding. The cost of funding these additional students would be $404,622.

Of the students eligible for a less-than-halftime award, 81 percent enrolled for two or more terms during 2008-09. A majority (71 percent) of less-than-halftime students enrolled at this rate for a single term while enrolling half-time or greater the remaining terms. This indicates that most students enroll at a less-than-halftime rate temporarily. In fact, 85 percent of SNG students in the fall attended full-time.

There are demographic differences between the less-than-halftime students and the regular SNG program students. The most notable difference between the less-than-halftime population enrollment and the regular SNG population enrollment was in the community and technical college sector (81 percent vs. 59 percent). Private career schools have limited demand for less-than-halftime enrollment and consequently have the smallest percentage of this population.

Sector and institution breakdown of SNG

Tables 15 - 18 reflect dollars expended in 2008-09 and reserves for 2009-10 by sector and by institution.

Table 15
State Need Grant, by Sector
2008-09 Expenditures & 2009-10 Reserves

Sector	2008-09 Amount Expended	2008-09 Served FTEs[1]	2009-10 Amount Reserved[2]
Research	$61,593,501	11,536	$68,808,118
Comprehensive	$35,823,348	8,964	$38,471,243
Private Four-Year	$22,969,033	4,153	$23,625,919
Community & Technical Colleges	$70,234,658	29,922	$74,067,130
Private Career	$4,114,665	1,769	$5,037,611
Total	**$194,735,205**	**56,345**	**$210,010,021**

[1]Full-time equivalent enrollment, not actual headcount.
[2]Includes matching federal LEAP funds and excludes Less-Than-Half-Time Pilot Project
Source: 2008-09 Portal General Ledger and 2008-09 SNG Final Interim Report

Table 16
State Need Grant in Public Four-Year Institutions
2008-09 Expenditures & 2009-10 Reserves

	2008-09 Amount Expended	2008-09 Served FTEs[1]	2009-10 Amount Reserved[2]
Research			
University of Washington	$37,038,168	6,988	$41,437,988
Washington State University	$24,555,333	4,547	$27,370,130
Comprehensive			
Central Washington University	$10,371,939	2,593	$10,720,068
Eastern Washington University	$10,679,397	2,655	$11,468,501
The Evergreen State College	$5,146,085	1,265	$6,299,538
Western Washington University	$9,625,927	2,451	$9,983,136
Private Four-Year			
Antioch University	$296,306	61	$336,061
Bastyr University	$350,540	58	$348,203
Cornish College of the Arts	$843,514	167	$920,129
DigiPen	$356,380	62	$419,774
Gonzaga University	$2,371,468	427	$2,341,459
Heritage University	$2,783,294	489	$2,856,258
Northwest College of Art	$80,642	15	$87,443
Northwest University	$978,478	179	$1,000,649
Pacific Lutheran University	$3,273,036	594	$3,519,083
Saint Martin's University	$1,722,114	323	$1,847,736
Seattle Pacific University	$2,257,232	408	$2,255,578
Seattle University	$3,471,534	613	$3,473,338
University of Puget Sound	$849,780	157	$838,013
Walla Walla University	$817,696	141	$837,970
Whitman College	$435,363	77	$417,152
Whitworth College	$2,081,656	382	$2,127,073

[1]Full-time equivalent enrollment, not actual headcount
[2]Includes matching federal LEAP funds and excludes Less-Than-Half-Time Pilot Project
Source: 2008-09 Portal General Ledger and 2008-09 SNG Final Interim Report

Table 17
State Need Grant in Community and Technical Colleges
2008-09 Expenditures & 2009-10 Reserves

Community & Technical Colleges	2008-09		2009-10
	Amount Expended	Served FTEs[1]	Amount Reserved[2]
Bellevue Community College	$2,072,987	916	$2,218,253
Big Bend Community College	$1,605,979	686	$1,652,749
Cascadia Community College	$409,867	185	$403,293
Centralia College	$1,332,750	586	$1,436,650
Clark College	$3,842,054	1,624	$4,479,905
Columbia Basin College	$2,715,133	1,125	$2,913,812
Edmonds Community College	$2,776,768	1,167	$2,823,227
Everett Community College	$1,994,333	855	$2,040,843
Grays Harbor College	$1,035,755	446	$1,172,789
Green River Community College	$2,063,252	922	$2,270,114
Highline Community College	$2,579,987	1,136	$2,646,425
Lower Columbia College	$1,980,511	845	$2,292,579
North Seattle Community College	$1,201,352	509	$1,128,763
Northwest Indian College	$313,342	129	$296,334
Olympic College	$1,775,798	768	$1,918,489
Peninsula College	$934,182	403	$974,840
Pierce College	$2,256,136	975	$2,126,130
Seattle Central Community College	$2,588,927	1,144	$2,771,298
Shoreline Community College	$1,712,616	762	$1,702,781
Skagit Valley College	$1,615,471	713	$1,718,813
South Puget Sound Community College	$1,957,431	858	$2,009,397
South Seattle Community College	$1,180,278	523	$1,335,335
Spokane Community College	$7,128,357	2,865	$7,531,259
Spokane Falls Community College	$4,793,046	1,948	$4,821,358
Tacoma Community College	$3,079,413	1,319	$3,603,247
Walla Walla Community College	$1,748,579	742	$1,798,055
Wenatchee Valley College	$2,542,954	1,077	$2,553,236
Whatcom Community College	$1,327,112	566	$1,355,719
Yakima Valley College	$3,406,168	1,474	$3,391,940
Bates Technical College	$1,004,407	424	$971,021
Bellingham Technical College	$1,094,516	478	$1,402,774
Clover Park Technical College	$2,071,910	851	$2,092,985
Lake Washington Technical College	$950,493	429	$1,050,452
Renton Technical College	$777,908	326	$806,667
Seattle Vocational Institute	$364,886	145	$355,598

[1]Full-time equivalent enrollment, not actual headcount
[2]Includes matching federal LEAP funds and excludes Less-Than-Half-Time Pilot Project
Source: 2008-09 Portal General Ledger and 2008-09 SNG Final Interim Report

Table 18
State Need Grant in Private Career Institutions
2008-09 Expenditures & 2009-10 Reserves

Private Career	2008-09 Amount Expended	2008-09 Served FTEs[1]	2009-10 Amount Reserved[2]
Art Institute of Seattle	$1,210,972	511	$1,305,389
Clare's Beauty School	$94,531	37	$95,920
Divers Institute of Technology	$50,268	21	$53,684
Everest College (formerly Bryman)	$413,546	177	$498,514
Gene Juarez Academy	$419,983	187	$624,275
Glen Dow Academy	$188,282	83	$188,536
Interface Computer School	$195,608	79	$198,810
International Air Academy	$75,503	34	$99,849
ITT Technical Institute-Seattle	$185,249	78	$180,391
ITT Technical Institute-Spokane	$677,910	297	$1,058,704
Perry Technical Institute	$602,813	265	$733,539

[1]Full-time equivalent enrollment, not actual headcount
[2]Includes matching federal LEAP funds and excludes Less-Than-Half-Time Pilot Project
Source: 2008-09 Portal General Ledger and 2008-09 SNG Final Interim Report

What are the State Work Study program details?

Washington's State Work Study program, the second oldest and largest of its kind in the United States, will enable about 9,300 students to earn over $27 million in 2009-10. SWS is designed to assist a broader band of students than the State Need Grant program, and complements grant and scholarship aid. As a result, any financially needy student is eligible for work study rather than being limited to just students with the lowest family incomes.

The majority of SWS students are from families with low incomes. However, SWS is available to any student with need-based eligibility and therefore serves many middle-income students as well. SWS also provides work opportunities to graduate and professional students, about 14 percent of the total recipients.

SWS work experiences directly relate to academic or career interests whenever possible, and provide students with the opportunity to help them pay for college while they develop real-world job skills for future careers. There are several projects within SWS that encourage placements in high demand fields, math and science classroom experiences, and in community service positions.

SWS is a decentralized program that assigns institutional allocations based on student needs and institutional capacity. Individual SWS award amounts are determined by the institution based on each student's demonstrated financial need and packaging policies. 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 3,000 employers contract to participate in the State Work Study program.

Budget summary

As shown in **Table 18**, in 2008-09, 9,330 students earned more than $27.5 million through the State Work Study program. The employer match component of student wages accounted for about $6.6 million of this total. The remainder came from state appropriations and a small amount of federal matching dollars ($311,957). The average earnings were over $2,900 per student.

Table 19
SWS Budget Summary, 2008-09

Earnings	
State Portion of Wages	$20,863,516
Employer Match (24%)	6,606,166
Total Earnings	**$27,469,682**
Funding Sources	
SWS Appropriation	$21,353,200
SFA Transfer	108,565
Federal Funds	311,957
Prior Year Carry Forward	147,018
	$21,920,740
Expenditures	
State Portion of Wages	$20,863,516
Grants to Institutions	155,977
Admin. Allowance to Public Institutions	411,690
HECB Administration	286,136
	$21,717,319
Carry Forward to 2007-08	**$203,421**

**Includes SWS Math & Science Teachers projects Carry Forward ($190,238)*

For 2009-10, with an increase of approximately $600,000 in the appropriation, the HECB has $21.9 million available for SWS program operations from state and federal sources to serve an estimated 9,400 students.

All or nearly all of the general funds appropriated to the SWS program have been fully expended for the last several years as depicted in **Table 20**.

Staff anticipate this trend will continue due to stable or decreased funding for the Federal Work Study program (despite the one-time federal stimulus increase in 2009-10) and increased institutional/student demand for SWS dollars. In most years and thus far in 2009-10, demand for additional SWS resources from institutions vastly exceeds the program's ability to fully fund institutional requests.

Table 20
State Work Study Percent of General Fund Expended
FY 2001-02 through FY 2009-10

Year/Biennium	General Fund State Appropriation	Percent Expended
FY 2001-02	$17.4 million	100%
FY 2002-03	$17.04 million	100%
FY 2003-04	$17.0 million	100%
FY 2004-05	$17.9 million	100%
FY 2005-06	$17.9 million	99%
FY 2006-07	$19.4 million	100%
FY 2007-08	$20.3 million	100%
FY 2008-09	$21.3 million	100%
FY 2009-10	$21.9 million	n/a

Ratio of needy students served

As college costs increase and the number of needy students grows, the ratio of needy students being served by the program has declined. During 1999-00, 1 in 12 financially needy students received a SWS award. The most recent ratio stands at one state work study award for every 15 financially needy students. In addition, the proportion of college costs offset by SWS earnings has decreased over time, moving from 15 percent in 2001-02 to 12 percent in 2008-09.

Sector and institution breakdown

Table 21 and **Table 22** reflect the 2008-09 earnings and number of SWS students by sector and by institution.

Table 21
Earnings of State Work Study Students
by Sector, 2008-09

Sector[1]	Amount Earned	# Students[2]	Avg. Earnings
Public Four-Year	$8,373,922	2,891	$2,897
Private Four-Year	$8,828,075	2,888	$3,057
Community & Technical Colleges	$10,267,685	3,574	$2,873
Total	**$27,469,682**	**9,330**	**$2,944**

[1] For-profit institutions are not eligible to participate
[2] Students who transfer between sectors are counted in each sector; the total is an unduplicated count
Source: 2008-09 Unit Record Report

Table 22
Earnings of State Work Study Students, by Institution, 2008-09

	Amount Earned	# of Students
Research		
University of Washington	$2,184,864	585
Washington State University	$2,260,754	1,048
Comprehensive		
Central Washington University	$1,161,826	318
Eastern Washington University	$1,021,944	327
The Evergreen State College	$501,549	193
Western Washington University	$1,242,985	420
Private Four-Year		
Antioch University	$11,873	3
Bastyr University	$241,906	263
Cornish College of the Arts	$361,029	191
Gonzaga University	$1,872,008	481
Heritage University	$248,014	74
Northwest University	$120,424	32
Pacific Lutheran University	$1,082,544	298
Saint Martin's University	$114,121	33
Seattle Pacific University	$951,876	280
Seattle University	$1,789,182	392
University of Puget Sound	$1,007,391	312
Walla Walla University	$281,717	89
Whitman College	$296,687	269
Whitworth University	$449,303	171
Community & Technical Colleges		
Bellevue Community College	$242,846	139
Big Bend Community College	$219,003	107
Cascadia Community College	$114,486	31
Centralia College	$120,361	42
Clark College	$841,286	244
Columbia Basin College	$474,569	144
Edmonds Community College	$356,533	86
Everett Community College	$304,100	162
Grays Harbor College	$114,230	42
Green River Community College	$4,886	2
Highline Community College	$268,080	97
Lower Columbia College	$748,388	291
North Seattle Community College	$311,994	104
Northwest Indian College	$14,285	8
Olympic College	$124,352	25
Peninsula College	$141,175	56
Pierce College	$201,549	65
Seattle Central Community College	$244,235	75
Shoreline Community College	$273,400	92
Skagit Valley College	$113,340	46
South Puget Sound Community College	$166,724	49
South Seattle Community College	$100,299	49
Spokane Community College	$867,238	210
Spokane Falls Community College	$710,111	243
Tacoma Community College	$925,281	220
Walla Walla Community College	$107,347	41
Wenatchee Valley Community College	$372,754	159
Whatcom Community College	$304,854	118
Yakima Valley College	$477,322	232
Bates Technical College	$204,147	48
Bellingham Technical College	$173,605	70
Clover Park Technical College	$280,589	115
Lake Washington Technical College	$191,910	62
Renton Technical College	$144,918	93
Seattle Vocational Institute	$7,488	7

Source: 2008-09 Unit Record Report

SWS student profile

As shown in **Table 23,** 53% of students utilizing the State Work Study program met a definition of an "independent" or nontraditional student in 2008-09. Independent students are those who are older, have families of their own, or are former foster care youth. These students had an average family income of $13,820. For "dependent" students, family income averaged $47,888.

The median age of SWS recipients was 22. Sixty-six percent of the students were female and 26 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 some non-resident students and a significant number of graduate students.

Table 23
State Work Study Student Profile, 2008-09

Age Categories	
< 21	41%
21 - 23	19%
> = 24	39%
Median age =	22
Gender	
Female	66%
Male	34%
Dependent Students	
% Dependent	47%
Avg. Parent Income	$47,888
Independent Students	
% Independent	53%
Average Income	$13,820

Students with Families	
Married	12%
Married with Children	7%
Single Parents	14%
Race/Ethnicity	
American Indian	2%
Asian/Pacific Islander	8%
Black	6%
Hispanic	10%
Other/Unknown	11%
White	61%

Source: 2008-09 Unit Record Report

SWS 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. About 39 percent of the state work study students' dollars are earned in off-campus placements. Approximately 3,000 off-campus employers contract annually to accept SWS-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

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

Private Non-Profit

- 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

- City of Seattle
- 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

SWS special projects

Math & Science Teacher Projects

The State Work Study Math & Science Teachers (SWS MST) program, established during the 2007 legislative session, provides SWS eligible students with teaching experiences in secondary school math and/or science classrooms.

As a result of these high employer demand classroom experiences, participating students are better able to clarify their interest in a teaching career and are more prepared to accept other forms of dedicated aid, such as the Future Teachers Conditional Scholarship.

In the second full year of the program in 2008-09, nine institutions (including five community colleges) operated ten projects across the state, as shown in **Table 24**. A total of 110 participating students earned $193,420 in SWS wages while gaining valuable classroom teaching experience.

Table 24
SWS Math/Science Projects, 2008-09

School Name	Project Title
Central Washington University	Excellence in Science & Math Teaching
Clark College	Math & Science Teachers Project Year II
Eastern Washington University	Math Tutoring Collaborative
Eastern Washington University	Teaching/Learning Experiences with Inquiry
Everett Community College	From Tutor to Teaching in Science and Math (TTSM)
Lower Columbia College	TEAMS (Tutors Eager to Assist in Math & Science)
Pacific Lutheran University	Next Generation
Seattle Central Community College	Tutors 2 Teachers
The Evergreen State College	Millennial Math and Science Teacher Explorers
Walla Walla Community College	Math Science Tutoring Partnership

The 2009-10 year is poised to be the strongest year yet for the SWS Math & Science Teacher (MST) Projects. **Table 25** lists the nine institutions that have reported higher levels of SWS student recruitment success than in prior years. The Board anticipates up to $335,000 in SWS MST student wage expenditures with over 100 students gaining hands-on teaching skills in math and science classrooms across the state. The current SWS MST Projects are:

Table 25
SWS Math/Science Projects, 2009-10

School Name	Project Title
Central Washington University	Excellence in Science & Math Teaching
Clark College	Math & Science Teachers Project Year III
Eastern Washington University	Math Tutoring Collaborative
Everett Community College	From Tutor to Teaching in Science and Math (TTSM)
Lower Columbia College	TEAMS (Tutors Eager to Assist in Math & Science)
Pacific Lutheran University	Next Generation
The Evergreen State College	Millennial Math and Science Teacher Explorers
Walla Walla Community College	Math Science Tutoring Partnership
Whatcom Community College	College to Community - Students Teaching Students: Math & Science

As an example, Pacific Lutheran University's "Next Generation" places SWS students in math and science classrooms in the Clover Park, Franklin-Pierce, and Tacoma school districts. Student recruitment efforts are done in collaboration with faculty in math, science, and education and students are paired with an experienced teacher with the help of school district staff. SWS students are trained by the PLU Project Director, then spend time with their teacher-mentor planning their role in the classroom, and then actively promote better math and science performance for secondary school students as they learn more about what it takes to be a teacher.

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 (CSP). Projects typically 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.

In 2008-09 about $125,000 in SWS funds were earned by fifty one students working on five projects operated by five institutions as shown in **Table 26**. Projects focused on community improvements in the areas of health care, early education outreach, community service infrastructure improvement, local business sustainability, and other community needs.

Table 26
SWS Community Service Projects, 2008-09

School Name	Project Title
Clark College	Vancouver National Historic Reserve
Eastern Washington University	Smile Spokane - It All Starts Here
Heritage University	Hand in Hand
The Evergreen State College	Evergreen Student Community Action Coordinators Project
Whatcom Community College	Developing Sustainable Communities

A more robust level of CSP projects were developed for 2009-10, listed in **Table 27**. Ten projects from seven institutions were funded across a wide range of project activities. The Board anticipates up to $300,000 in SWS CSP student wage expenditures with over 100 students actively involved with direct efforts to improve their communities. The current SWS CSPs are:

Table 27
SWS Community Service Projects, 2009-10

School Name	Project Title
Central Washington University	Identifying Undeclared Majors for Teaching & Government Careers related to Mathematics, Science and Special Education
Central Washington University	Making a Difference with Service Learning Across Curricula and Throughout the Community
Clark College	Fort Vancouver National Historical Reserve
Columbia Basin College	A Free Clinic Experience in the Provision of Needed Healthcare and Social Services
Seattle Pacific University	School to Work
Seattle Pacific University	Chief Sealth HS AVID Tutorial Project
The Evergreen State College	Evergreen Student Community Action Coordinators Project
Whatcom Community College	Preserving Community Through Neighborhood Connections
WWU/Campus Compact	Financial Literacy Training Project
Western Washington University	WWU Mentoring Initiative

As an example, Columbia Basin College's "A Free Clinic Experience in the Provision of Needed Healthcare and Social Services" places bilingual students in Grace Clinic, a non-profit organization that provides medical, dental, and mental health services to uninsured, low income residents of Benton and Franklin Counties. Participating SWS students interact directly with patients and clinical staff by performing crucial roles as interpreters, medical assistants, and health information technologists. Students from CBC's Medical Assistant, Health Information Technology, Nursing, and Foreign Language programs gain valuable health care experience as they integrate clinical realities with classroom learning.

State Work Study High Employer Demand Projects

As noted earlier, the 2009 Legislature established a new SWS placement priority for high employer demand positions[3]. In order to assist institutions in growing the number of placements meeting this priority, institutions were offered the opportunity to apply for additional SWS wage and administrative support funds to implement projects focused on developing and placing SWS students in high employer demand occupations. Many institutions already place students in positions that could be classified as high employer demand, and that the SWS Math & Science Teachers program placements would also qualify in meeting this placement priority.

Likely due to a later than ideal application period and unprecedented student demand on financial aid office staff in early 2009-10, only three applications were awarded SWS High Employer Demand (SWS HED) funds in the program's initial year, listed in **Table 28**. The Board is actively consulting with institutions to develop interest in the program and to grow the number of projects to be awarded in 2010-11.

Table 28
SWS High Demand Projects, 2009-10

School	Project Title
Eastern Washington University	Fast Track Dental Hygiene
Eastern Washington University	Smile Spokane - It All Starts Here
The Evergreen State College	Linking Theory & Practice Through High-Employer Demand Jobs

As an example, Eastern Washington University's "Fast Track Dental Hygiene" project is designed to place eight students from the pre-dental hygiene or dental hygiene programs in local dentists' offices for 10-15 hours a week as hygiene assistants, gaining valuable hands-on experiences that will enhance classroom learning and give students real-world insights into how dental offices operate successfully.

[3] The Local Area Demand/Decline website used to determine high demand fields (maintained by Employment Security Department and local Workforce Development Councils) at: http://www.wilma.org/wdclists/.

What are the College Bound Scholarship program details?

The College Bound Scholarship (CBS) was created by the 2007 Legislature to inspire and encourage low-income seventh and eighth graders to dream big and pursue a college education. For students who meet the income eligibility requirements and are admitted to an eligible institution, the scholarship will combine with State Need Grant to cover the cost of tuition and fees at the rate of public institutions.

The 2007 Legislature allocated $7.4 million to the College Bound Scholarship. Scholarship payouts in 2012 and GET units were purchased with the initial allocation. Although the 2009 Legislature was not able to pre-invest funds, the budget language in 2009 noted, "the state's College Bound Scholarship commitment will be fulfilled, and is not dependent upon nor diminished by the action." In addition, the program allows direct payments from the fiscal year in which the student enrolls similar to other state financial aid programs.

Promotion and partnerships

Spreading the word about the program and signing up eligible students was a key task of the first year (2007-08). The Board and the Office of Superintendent of Public Instruction (OSPI), the two organizations charged with promotion, contacted K-12 personnel and college access partners throughout the first year with information about the program, publicity materials, and promotion strategies.

Building on the partnerships developed in the first year, program staff continued to meet with representatives from education, social services, government, the non-profit sector, college access providers, and the community throughout 2008-09. Additionally, in the second year a federal grant formalized partnerships between the Board and four non-profit organizations (see *What is the Federal College Access Challenge Grant?*, page 16).

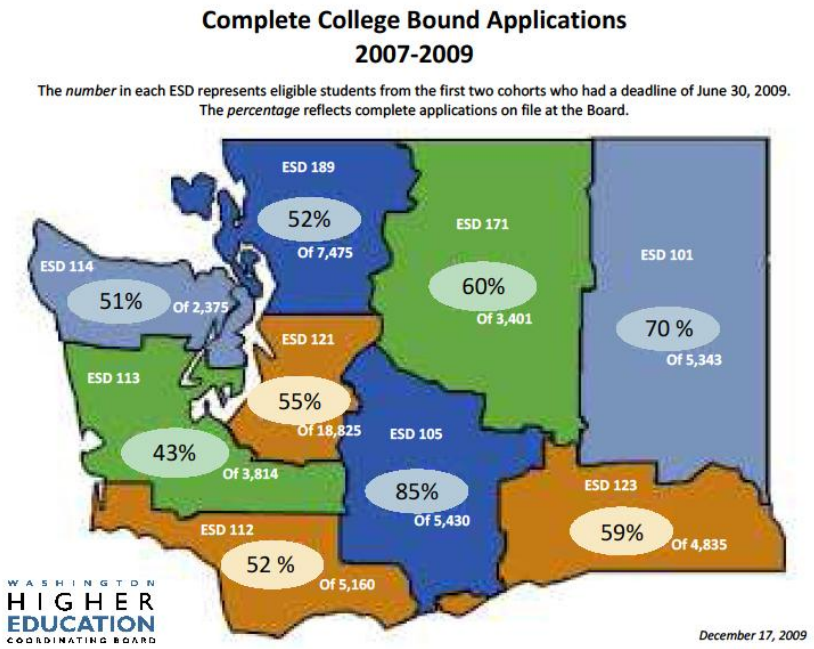
In addition to the regional efforts of Metropolitan Development Council (MDC) and the Community Foundation of North Central Washington (CFNCW), the College Success Foundation (CSF) placed a counselor in each of the nine educational service districts. The number of students applying for College Bound nearly doubled in 2008-09.

The most effective promotion efforts continued to be those that targeted income-eligible students. With the assistance of staff hired by the CACG partners, schools reached out to eligible students and families through school assemblies, ice cream and pizza parties, and parent/teacher conferences. In addition, because of these partnerships more communities (Lake Stevens, Vancouver, Yakima and Seattle) hosted large sign-up events similar to those held in Tacoma and Spokane. By extending the program's reach through these partnerships, staff have shared the most effective outreach methods with other schools via the website, promotional partner meetings, and joint mailings with OSPI and the principals' association.

Finally, there was a strong media push as the June 30, 2009 deadline approached for 8th and 9th graders. In collaboration with CSF, the Board developed TV and radio PSAs, a video with Governor Gregoire that was posted on Washington State's Website, and interviews with a local newscaster and Board member. Many of these PSAs were also broadcast Spanish.

CBS program data

The 2008 Legislature granted students who were eighth graders in 2007-08 an extra year to apply. For the first two cohorts with the deadline of June 30, 2009 – 8th and 9th grade students in 2008-09 – about 56% of eligible students completed their application. Of the eligible students that submitted applications, 94% signed and completed their pledge by the deadline. The map below demonstrates that applications were received statewide.



A milestone in the second year was the signing of the data sharing agreement between OSPI and HECB. This agreement will permit the two agencies to track students through middle and high school and will also provide valuable demographic data about College Bound students. The first data match indicated 59 percent of the scholars are students of color. It also indicated the majority of students are on track to meet the minimum grade point average requirement.

What are the GEAR UP program details?

GEAR UP stands for Gaining Early Awareness and Readiness for Undergraduate Programs. The GEAR UP program was designed to raise expectations of low-income students in the middle school and follow them through the K-12 system with age-appropriated academic and social supporting services. With programs in low-income districts around the state, GEAR UP focuses on students from under-served schools, helping them prepare for college and gain access to financial aid.

The Higher Education Coordinating Board, Office of the Governor, the University of Washington, College Success Foundation, local school districts, and a number of national, state, and local organizations form a partnership in service delivery.

During the 2008-2009 school year, GEAR UP had programs in 46 states and 4 U.S. territories, and served a total of 738,968 students throughout the country.

According to a 2008 study by the Social and Economic Sciences Research Center at Washington State University, "GEAR UP students have more positive outcomes on virtually all measures of enrollment, persistence, and degree attainment."

- First year college enrollment rates were substantially higher than the comparison group (72% vs. 45%).
- GEAR UP students persisted into the second year of college at higher rates by about four percentage points.
- Credential attainment within the five year period was proportionately greater among the GEAR UP students by over 65%.

Washington State GEAR UP has two direct service components: the federally-funded GEAR UP Scholars Project and the state-funded GEAR UP for Student Success program. The Higher Education Coordinating Board administers both programs and serves a combined total of approximately 4,000 students in 37 school districts.

As part of these efforts, GEAR UP offers:

- Tutoring & mentoring.
- College and career planning information.
- Access to financial aid.
- Summer programs.
- College visits.
- Teacher training & professional development.

In addition to the state GEAR UP program, Washington is home to ten GEAR UP Partnership programs. Combined, these programs serve an additional 30,000 students in 54 school districts statewide.

Included in this update are measures of student success, a summary of the 2008-09 scholarship disbursements by sector for the GEAR UP Grant I (1999-2005), and an update on new activities.

2008-09 Summary

GEAR UP provides several key enrichment activities for participating students. The GEAR UP Scholar's Project continues to enjoy very high student and family participation rates.

- 88% of students received tutoring, homework assistance, and/or academic enrichment activities
- 86% of students and 65 percent of parents received counseling, advising, academic planning, and/or career counseling services
- 86% participated in college visits and/or college student shadowing opportunities and achieved measurable success
- 97% of students were performing at or above grade level in English or Language Arts classes
- 97% of students were performing at or above grade level in math classes

Currently, more than 400 students receive college scholarships as a result of participation in Washington State's first GEAR UP program (1999 – 2005). The maximum scholarship award amount is $4,000. **Table 29** shows the scholarships awarded by sector.

Table 29
GEAR UP Grant I (1999-2005)
Scholarship Recipients by Sector, 2008-09

Sector	Amount Paid	# of Students
Public Four-Year	$478,111	165
Private Four-Year	$148,727	48
Community & Technical Colleges	$557,013	218
Private Vocational	$31,332	12
Total	**$1,215,183**	**443**

Building outreach and access networks

One of the primary goals of the Washington State GEAR UP program is to engage in and encourage outreach activities throughout the state, region, and nation. Some of the major activities completed during 2008 – 2009 include the following:

- Washington State GEAR UP hosted the third annual GEAR UP Northwest Regional Conference in Spokane in October of 2009. 380 participants from Washington, Oregon, Nevada, Wyoming, Idaho, Arizona, and Montana attended the two-day conference to participate in over 30 breakout sessions on topics ranging from fostering student academic success to working effectively with students in poverty and students of color.
- Washington State GEAR UP program organized statewide GEAR UP directors meetings to formulate policy 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.

"GEAR UP For Student Success" – a state-funded expansion

In 2007, Washington became the first state to create a state-funded model to expand GEAR UP services beyond the federal programs. In the 2007-09 biennium, the Legislature approved $2.5 million to HECB in "Student Success" grants to 25 school districts. These are districts in which the majority of their student population is eligible for the free and reduced lunch program.

By targeting high poverty districts lacking structured college awareness programs, GEAR UP served 3,400 students in a cohort of the Class of 2011. Each school demonstrated the ability and willingness to collaborate with the state's higher education institutions, businesses, and community-based organizations to address the needs of its student population. These organizations work together to raise high school graduation and college going rates.

The participating schools provide tutoring and mentoring services to prepare students academically for postsecondary education; provide college awareness and college experience to students and their families; and offer financial aid and college admissions information and assistance to students and their families. A summary of accomplishments is included in **Table 30**.

Table 30
GEAR UP For Student Success
Year 1 & 2 Activity Summary
for February 1 through June 30, 2009

Category	Total Activities	Total Participants*
Student Activities	808	44,116
Average Number of Student Activities per school district	32	
Family Activities	268	7,513
Average Number of Family Activities per school district	11	
Staff Activities	246	6,601
Average Number of Staff Activities per school district	10	
Total Hours of All Activities	***10,310***	
Average hours of All Activities per school district	412	
Grand Total of Activities and Participants	***1,322***	***58,230***

**Participants numbers are total for all activities and include some duplication.*

Appendix A

Samples of State Financial Aid Program Budget Drivers

Program		2010-11 Budget (in millions)	Total Students/Awards	Program Cost Variables (variables not listed in priority order)
Need-based	State Need Grant	$233.8	72,900	• Median Family Income Cutoff • Level of public tuition increase • Percentage of tuition covered by award • Percentage of eligible but unserved students
	State Work Study	$23.7	9,400	• Ratio of needy students served or left unserved by SWS • Level of public tuition increase • Average and maximum award per student • Employer reimbursement rates relative to state match • Administrative cost allowance for public institutions • Community service and high demand projects
	Passport for Foster Youth	$2.2	350	• Contracted support services • Institutional support and training • Maximum award level for students • Numbers of new and continuing students
Targeted Work-force	Health Professionals	$4.35	100	• Number of recipients • Size of conditional scholarship awards and/or loan repayment awards • The allocation for Project Hope/HSR Grant via DOH
	Future Teachers	$1.0	100	• Number of recipients • Maximum award to individual students • Special priorities for teaching service such as math, science, special education
	WICHE	$0.24	12	• Number of new and continuing students receiving awards • Number of professional degree programs not available in Washington
Merit	WA Scholars	$3.2	430	• Number of new and continuing students • Level of public tuition increase • Percent of tuition covered by the award
	WAVE	$1.45	300	• Number of new and continuing students • Level of public tuition increase • Percent of tuition covered by the award
Other	State GEAR UP	$1.5	3,400	• Number of participating school districts • Number and intensity of outreach, mentoring, and aspiration building activities for all participating high school students