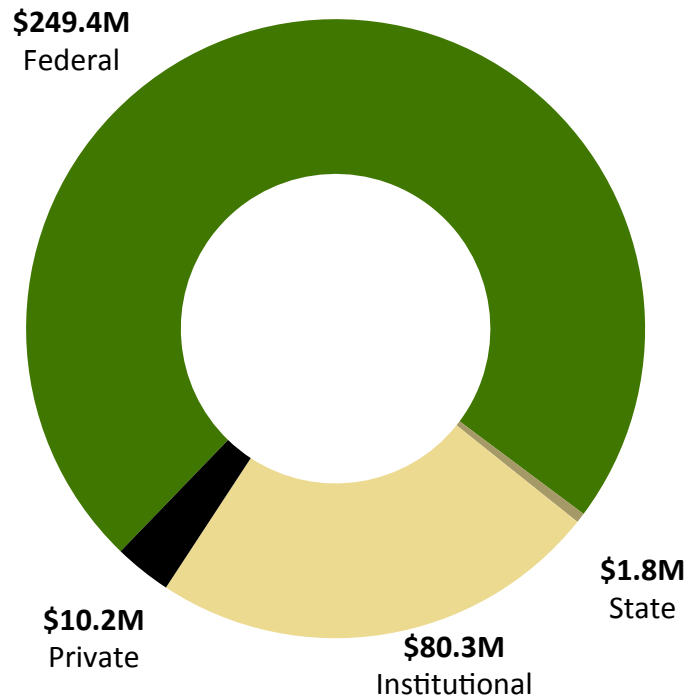




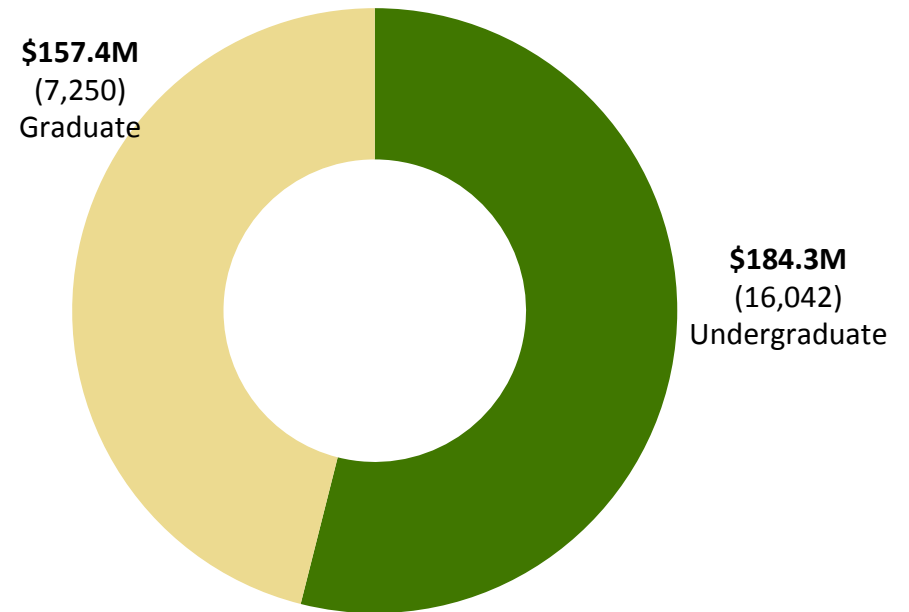
# Financial Aid Update

# Financial Aid Distribution

Distribution by Source



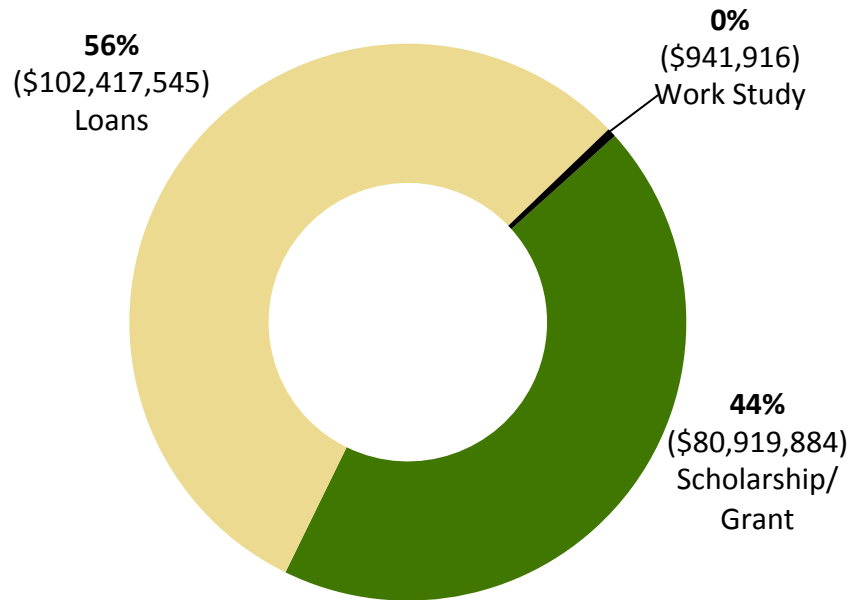
Distribution by Student Level



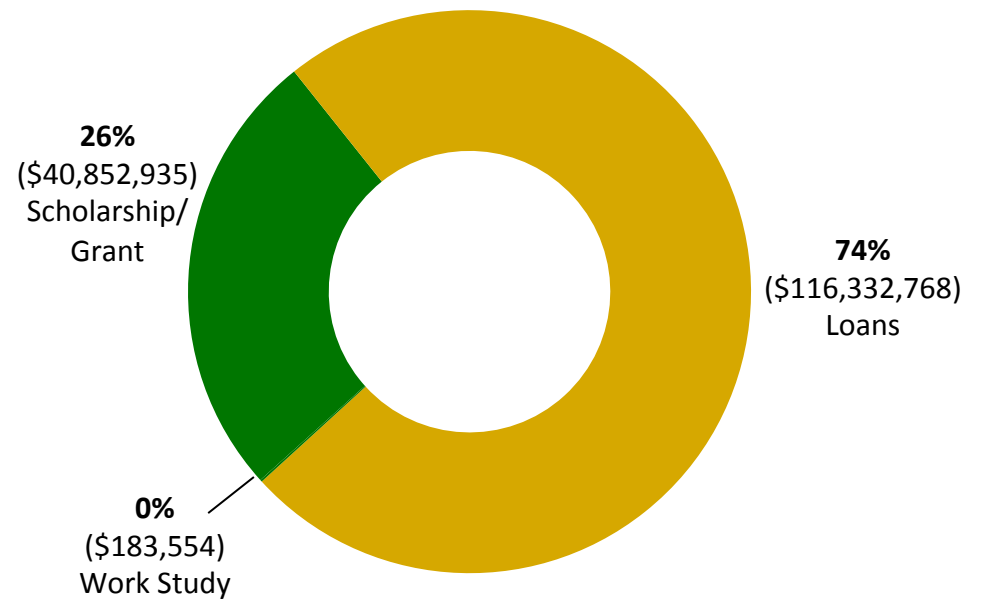
- Financial Aid to undergraduates increased 62.5% over the last five years
- 77% of undergraduates receive some type of aid

# Financial Aid Distribution

Undergraduate \$184 M



Graduate \$157 M

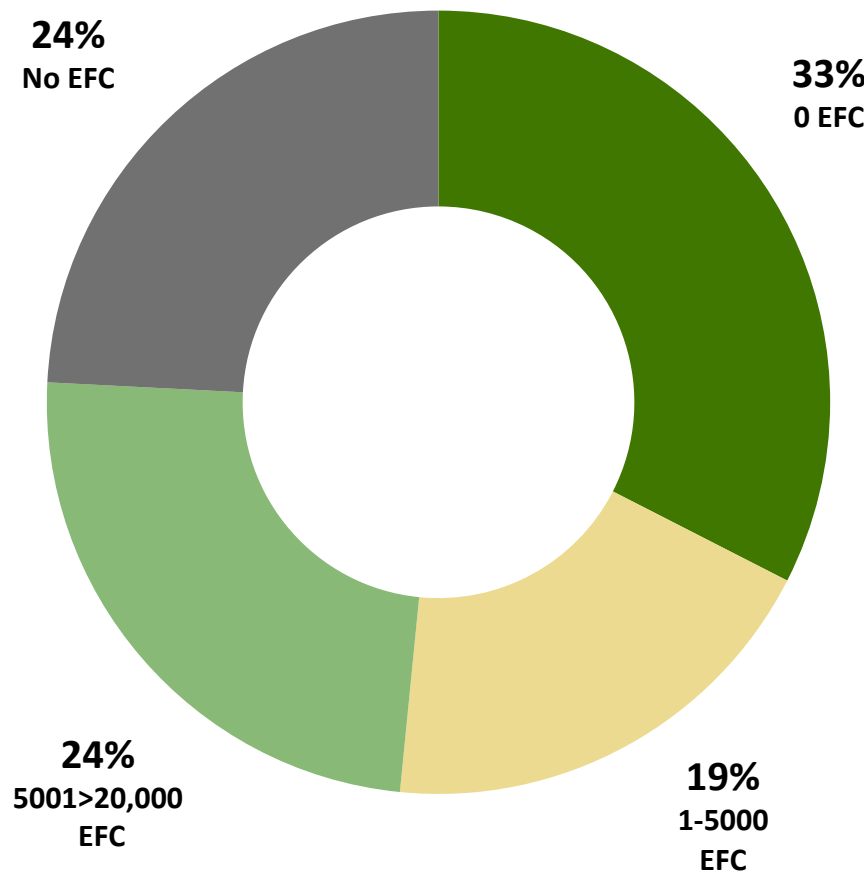


## Fall 2014: University Financial Aid Profile

	Undergraduate	Graduate	University
<b>Total Students</b>	<b>18,347</b>	<b>9,231</b>	<b>27,578</b>
Federal Aid	12,087	4,342	16,429
	<b>65.9%</b>	<b>47.0%</b>	<b>59.6%</b>
Pell Grant	8,265	0	8,265
	<b>45.0%</b>	<b>0.0%</b>	<b>30.0%</b>
Scholarships/Grants	11,573	3,515	15,088
	<b>63.1%</b>	<b>38.1%</b>	<b>54.7%</b>
Student Loans	10,264	4,384	14,648
	<b>55.9%</b>	<b>47.5%</b>	<b>53.1%</b>
College Work-study	217	41	258
	<b>1.2%</b>	<b>0.4%</b>	<b>0.9%</b>
Students With Aid	14,052	6,340	20,392
	<b>76.6%</b>	<b>68.7%</b>	<b>73.9%</b>

# EFC Profile of Enrolled Undergraduates

fall 2014 UG EFC Percentage



- The **Expected Family Contribution (EFC)** represents the financial support a student and/or student's family can provide over a 9-month period.
- Zero EFC – A family is not able to contribute money towards any of the student's expenses
  - An EFC \$0 typically represents a family income less than \$24k
- Expenses include: housing, food, phone bills, basic necessities, in addition to tuition, books and supplies.

Fall 2014 Aid Package: Assumes Dependent FTIAC, 0 EFC , No Merit

	<u>Living at Home</u>	<u>Living in Housing</u>
Tuition & Fees estimate for 15 credits	\$11,698	\$11,698
Room and Board Expenses	\$1,350	\$8,762
Total Charges:	\$13,048	\$20,460
<b>Minus</b>		
Scholarships & Grants		
Federal Pell Grant	\$5,730	\$5,730
Federal Suppl. Educ. Opp. Grant	\$1,300	\$1,300
WSU Promise Grant	\$970	\$970
<b>Federal Student Loans</b>	<b>\$5,445</b>	<b>\$5445</b>
Total Aid:	\$13,445	\$13,445
<b>Funds needed to cover costs</b>	<b>(\$397)</b>	<b>\$7,015</b>

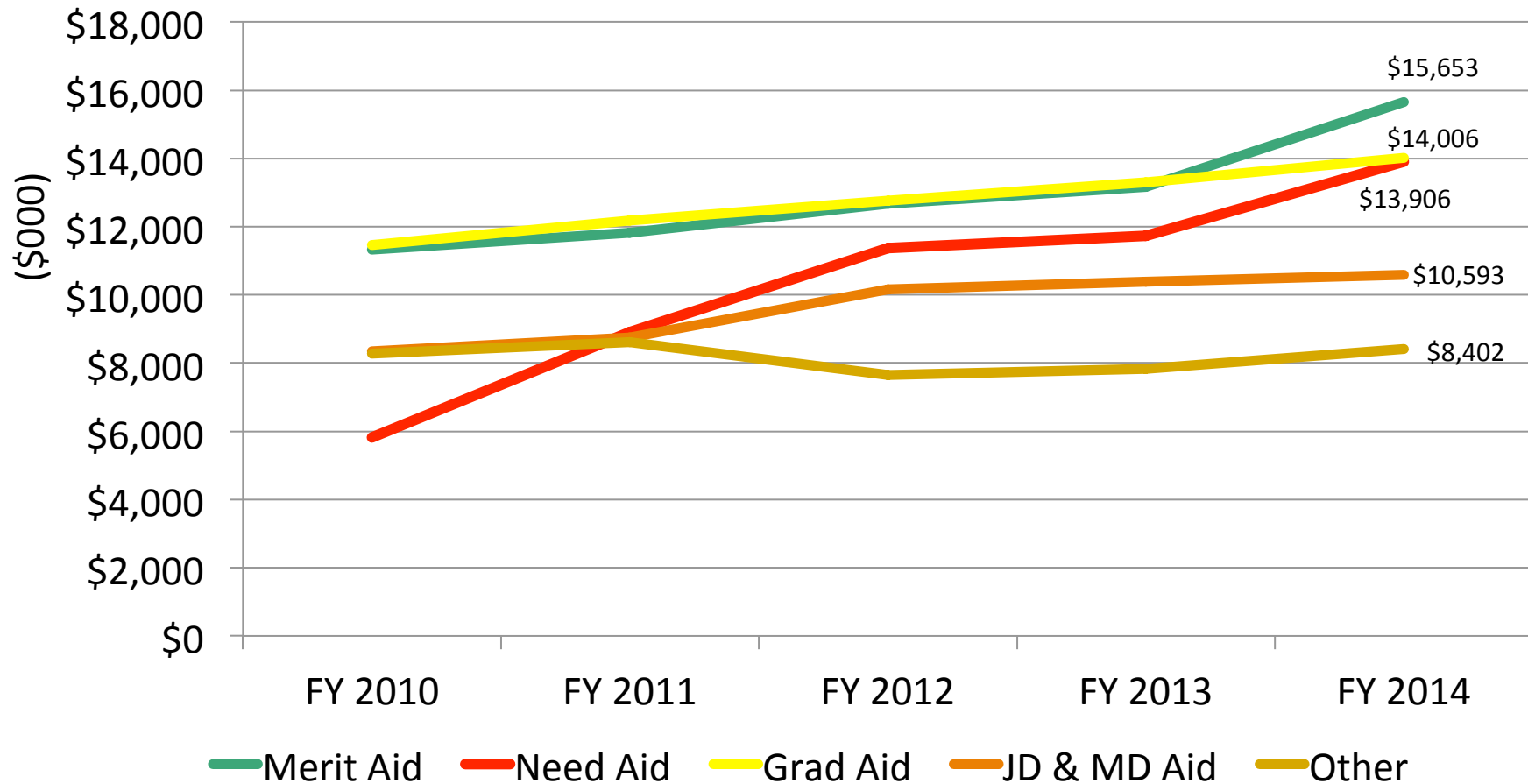
## WSU Promise Grant

“Equity” awards began in fall 2009 and did not require academic performance for renewal. The **WSU Promise Grant** was introduced in fall 2013 and was awarded to FTIACS demonstrating need. Renewal criteria requires students to **pass 24** credits each academic year and maintain a minimum **2.0 GPA** as well maintain **SAP** standards.

	Paid Fall	Paid Winter	Paid Fall of Year 2	Returned Fall Year 2 and Not Awarded*
# of Students	1,231	1,113	614	322
% of Cohort		90%	<b>50%</b>	26%
Average Award	\$1535.68	\$1533.82	\$1595.34	--

*\*Of the 322 students that returned, 40 of them withdrew*

# Financial Aid Budget Allocations



- Institutional Financial Aid increased by 38% or \$17 M from FY 2010 to FY 2014
  - Need-based aid grew by 139% during this time
- The \$17 M increase accounts for 52% of the total expenditures increases at WSU since FY 2010
- For FY 2015 & FY 2016, it is assumed that the financial aid budgets will increase at the rate of tuition



## FALL 2014 Undergraduate GPA Profile

- Total Fall 2014 undergraduate headcount enrollment: **18,347**
- Students receiving Federal Aid: **13,550**
- Undergraduates who had less than a 2.0 GPA in Fall term: **3,652 (20%)**
- FTIACs with less than a 2.0 GPA in Fall term: **496(23%)**
- Undergraduates who have less than a 2.0 cumulative GPA: **1,858 (10%)**

## Institutional Aid Concerns

- Number of students not meeting WSU Promise requirements after their first year.
- Limited State and endowed funds needed to support large high need population.
- Instructional support and academic preparedness must align with aid policies – aid alone does not ensure success.
- Availability of books and supplies prior to first day of class for student who do not have sufficient funds to cover direct costs.

# Questions/Discussion

# Federal Program Updates

# H.E.A. Reauthorization

## **Current bills under consideration:**

- Financial Aid Simplification and Transparency Act (**FAST**)
- Higher Education Affordability Act (**HEAA**)

## **House Bills :**

- H.R. 3136 - Advancing Competency-Based Education Demonstration Project Act (passed)
- H.R. 4982 - Simplifying the Application for Student Aid Act (introduced)
- H.R. 4983 - Strengthening Transparency in Higher Education Act (passed)
- H.R. 4984 – Empowering Students through Enhanced Financial Counseling Act (passed)

Likely no movement of HEA reauthorization until Elementary and Secondary Education Act (ESEA) is passed.

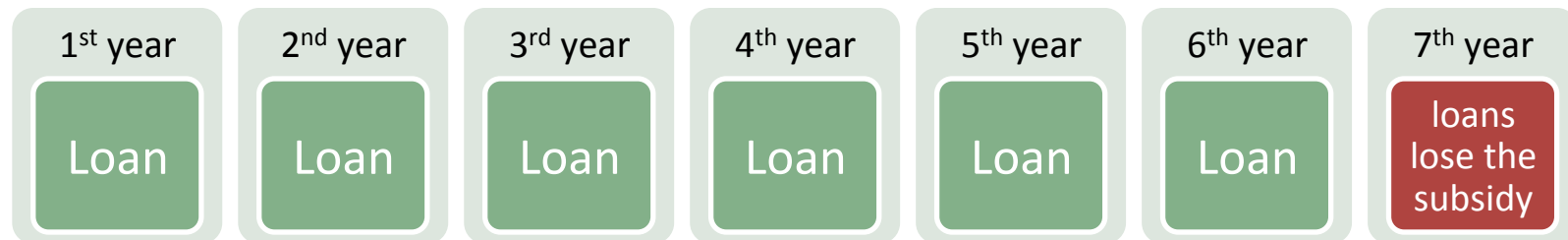
## Bill Topics Under Discussion

*FAFSA simplification, Year-round Pell, Loan Repayment, Affordability; College costs; Access, Persistence and completion; Improved consumer information; Student loan programs; Accreditation and oversight; Innovation; and the burden of federal regulations.*

### ***Potential Impact:***

- Simplification of the **FAFSA** will increase burden on financial aid offices to collect additional information.
- Increased scrutiny on **graduation rates** for **PELL** recipients.
- Limiting loan borrowing to reduce **default rates** and increased **loan counseling** services.
- Possible reduction of or expiration of Federal Supplemental Education Opportunity Grant (**FSEOG**) and the current **Direct Loan Program**.

# 150% Subsidized Loan Limits



In addition to **600% lifetime PELL eligibility**, subsidized loan eligibility has been aligned to encourage degree completion within a 150% of the published length – **6 years**.

**Classification of Instructional Program (CIP)** codes are reported with each loan. These codes are a way for the government to monitor, track, and analyze student borrowing in relation to their educational program of study.

**Future Impact:** Increased monitoring of loan debt and graduation rates by major. Reporting to potential students of these rates BEFORE they sign their loan Master Promissory Note (**MPN**).

## Loans By CIP

CODE	Description	201409 # Paid	201409 Sum Paid
24.0101	Liberal Arts and Sciences	1,331	\$5,725,840.00
42.0101	Psychology, General	763	\$3,341,119.00
26.0101	Biology, General	727	\$2,895,969.00
14.0101	Engineering, General	412	\$1,585,706.00
52.1003	Organization and Behavior Studies (Business)	373	\$1,661,430.00
Total of top 5 CIPS		3,606	\$15,210,064.00



## Undergraduate Stafford Loan Limits

			Dependent		Independent
Level	Subsidized	Unsubsidized	Total	Additional Unsubsidized	Total
Freshman	\$3,500	\$2,000	<b>\$5,500</b>	\$4,000	<b>\$9,500</b>
Sophomore	\$4,500	\$2,000	<b>\$6,500</b>	\$4,000	<b>\$10,500</b>
Junior/Senior	\$5,500	\$2,000	<b>\$7,500</b>	\$5,000	<b>\$12,500</b>
<b>Cumulative Limit</b>			<b>\$31,000</b>		<b>\$57,500</b>

# Perkins Loan Program

## Wind-down of the Federal Perkins Loan Program

- Perkins is awarded Undergraduate, Graduate, Law, and Medical School needy students. Allocation is based on prior Perkins student loan collections. Impact of the loss of the Perkins loan program affects all of our students:
  - Students that reach their PELL lifetime limits or have already borrowed their maximum Direct Loan eligibility.
  - Perkins is excellent as gap funding. We can provide low interest loan assistant to students toward tuition or Campus Housing.
  - Students entering WSU with prior debt, could afford to borrow Perkins to assist with graduation.
  - Assists Medical School students with low interest loans.
  - Restricts our ability as in institution to assist students on a case by case basis.

## Cohort Default Rates

**Cohort Default Rates (CDR)** are calculated as the percentage of borrowers who enter repayment on certain Federal Loans during a particular federal fiscal year, and default or meet other specified conditions prior to the end of the second following fiscal year. WSU's first official 3 Year CDR was delivered on September 22, 2014.

Fiscal Year	3 YR CDR Draft	3YR CDR Official
FY 2012	9.10%	N/A
FY 2011	12.60%	12.50%
% Change FY 2012/2011	-3.50%	N/A

# Satisfactory Academic Progress

## Undergraduates Fall 2014 and Winter 2015

Students enrolled in Fall that are now on **warning** for Winter: 1,656

- 1,015 (61.3%) enrolled for Winter
- Students listed as **unsatisfactory** for Winter: 1,279
  - 564 (44.1%) enrolled for Winter
- Students on probation in Fall but were **denied** aid for Winter for not meeting requirements: 123
  - 68 (55.3%) enrolled for Winter
- Students on probation or **warning** for Fall whose aid has been reinstated for Winter: 338
  - 320 (94.7%) enrolled for Winter
- Students that did not file a FAFSA but enrolled during Fall: 8,514
  - 6,585 (77.3%) enrolled for Winter

– 2.0 GPA, pass 67% of all courses attempted, not exceed 150% of program length

# Federal Financial Aid Concerns

## **Six Year PELL Limit**

- Beginning in 2012/13, no student can receive more than **600% or 12 full semesters** (or it's equivalent) of PELL.
- Students taking longer than 6 years to graduate run out of Pell funds.
- Transfer students come to WSU having already received Pell.

## **150% Direct Subsidized Loan Limit**

- These students are no longer eligible for Direct Subsidized Loans once they have received Subsidized for a period that is **150%** of the published length of the borrowers current educational program.
- Impact students who change majors or declare dual majors.
- Increased monitoring required for reporting CIP codes.

## **Loss of Perkins Loans**

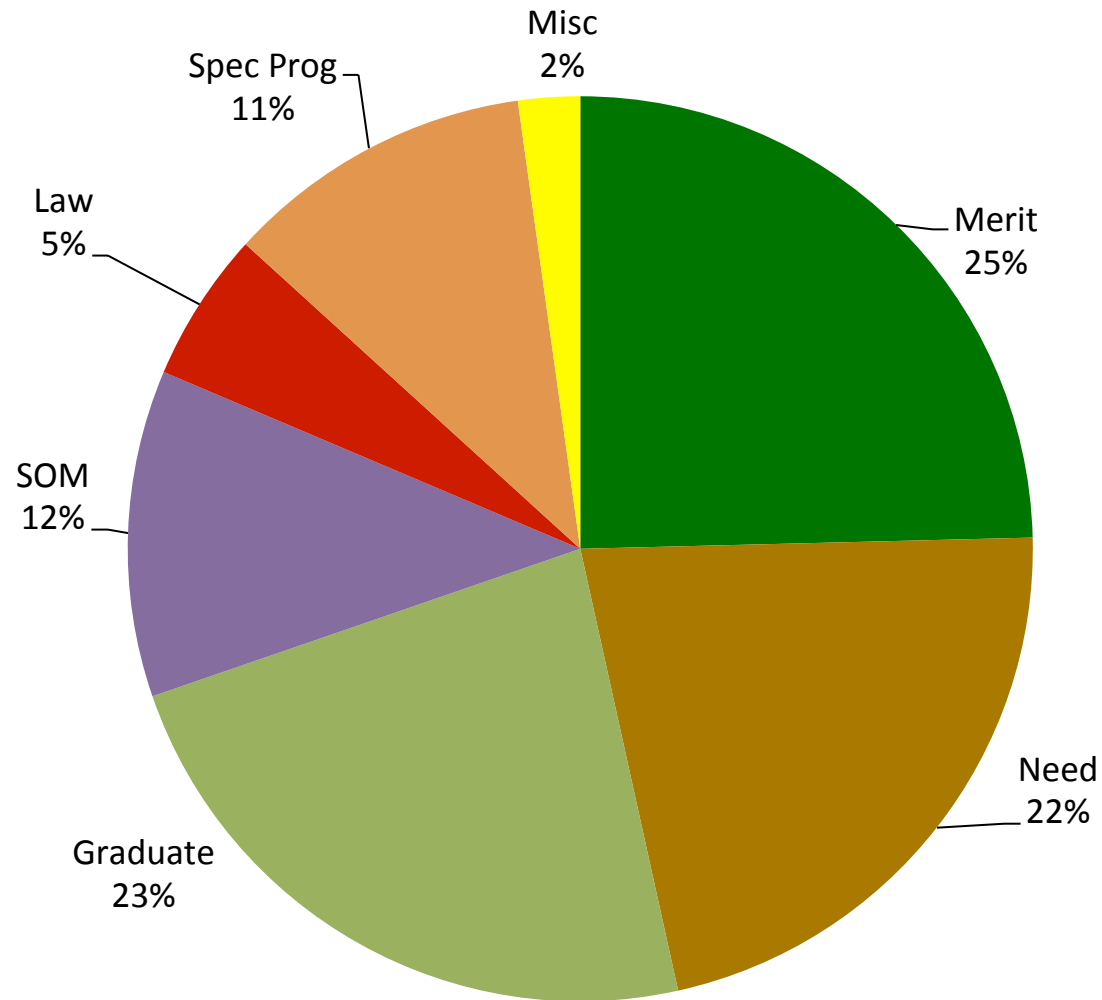
- 4.4 M awarded in 13/14 ; 2.7 UG, \$729,263 GR, \$377,296 MED, and \$298.00 Law

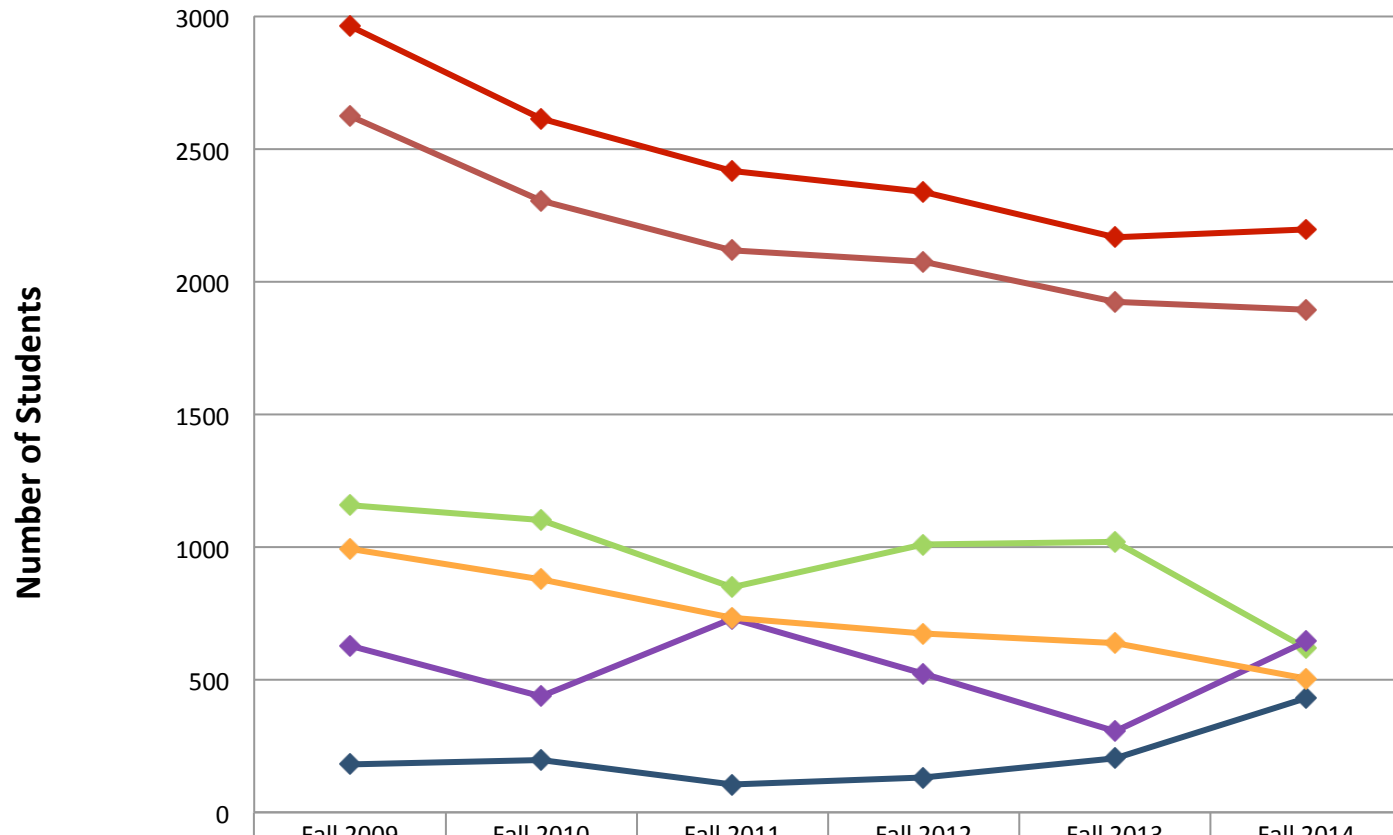
## **Gainful Employment (GE)**

- Increased oversight of certificate programs receiving Federal Direct Loans.
- Burden of reporting required data.
- Increased demand for OSFA staff to monitoring courses take and completed

# Other Data Points

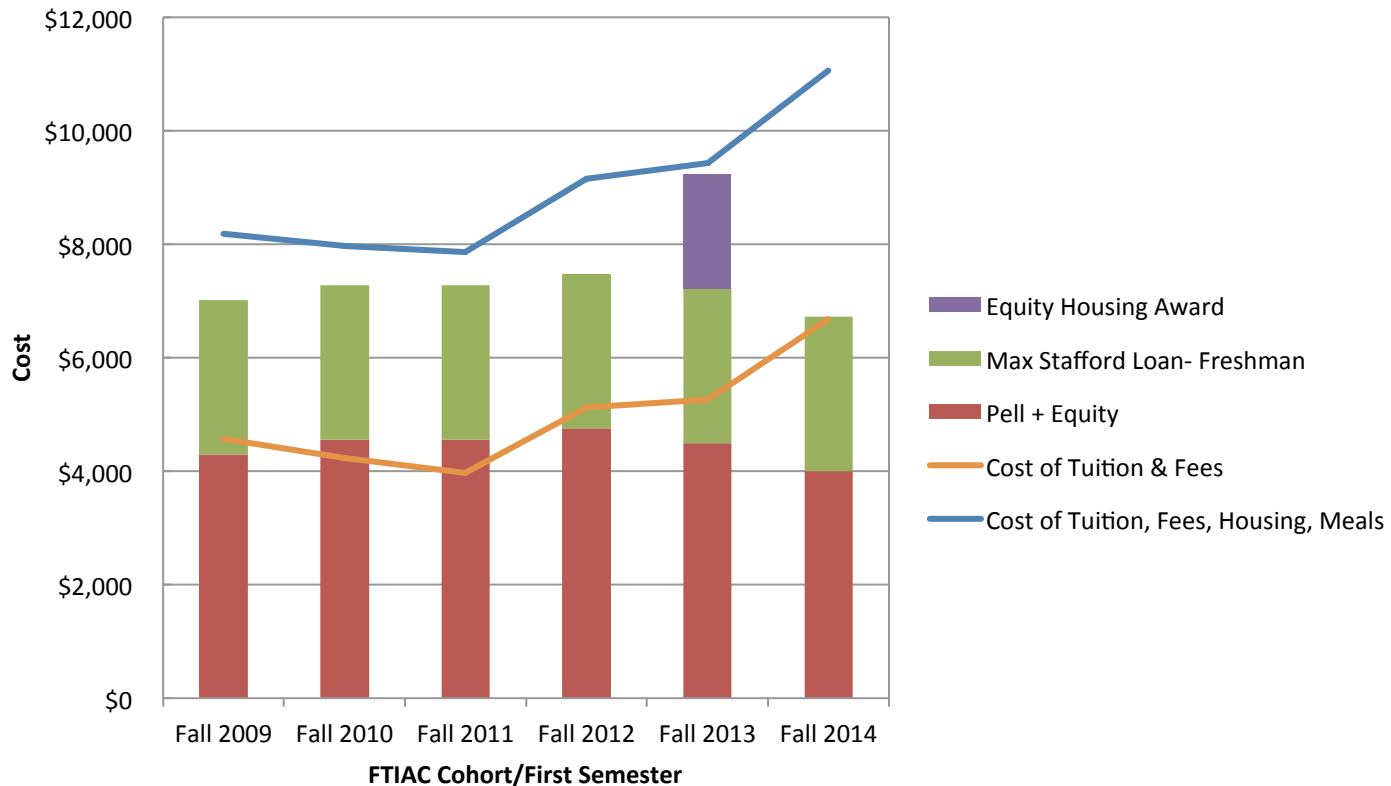
# Allocation of FY 2015 General Fund Institutional Financial Aid (\$63 M)





	Fall 2009	Fall 2010	Fall 2011	Fall 2012	Fall 2013	Fall 2014
FTIACs	2963	2615	2416	2337	2167	2195
Filed a FAFSA	2623	2304	2118	2074	1925	1894
Equity Only	1159	1103	849	1010	1019	617
Merit Only	629	438	729	523	304	644
Equity & Merit	182	197	105	131	205	430
Neither Equity Nor Merit	993	877	733	673	639	504





	Avg Tuition and Fee Charges for First-Term Admitted					Avg Housing & Meal Cost- WSU Housing		
FTIAC COHORT	Tuition & Fees	Pell + Equity	Difference	Max Stafford Loan- Freshman	Remaining Balance	Housing & Meal	Equity Housing Award	Remaining Balance
Fall 2014	\$6,682	\$4,000	\$2,682	\$2,722	-\$40	\$4,381	\$0	\$4,341
Fall 2013	\$5,267	\$4,500	\$767	\$2,722	-\$1,955	\$4,165	\$2,000	\$210
Fall 2012	\$5,130	\$4,750	\$380	\$2,722	-\$2,342	\$4,024	\$0	\$1,682
Fall 2011	\$3,963	\$4,550	-\$587	\$2,722	-\$3,309	\$3,893	\$0	\$584
Fall 2010	\$4,224	\$4,548	-\$324	\$2,722	-\$3,046	\$3,750	\$0	\$704
Fall 2009	\$4,574	\$4,298	\$276	\$2,722	-\$2,446	\$3,605	\$0	\$1,159