

State and Federal Assistance for Graduate Education

Presentation at the
5th Higher Education Summit

November 4, 2011

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Purpose of Presentation

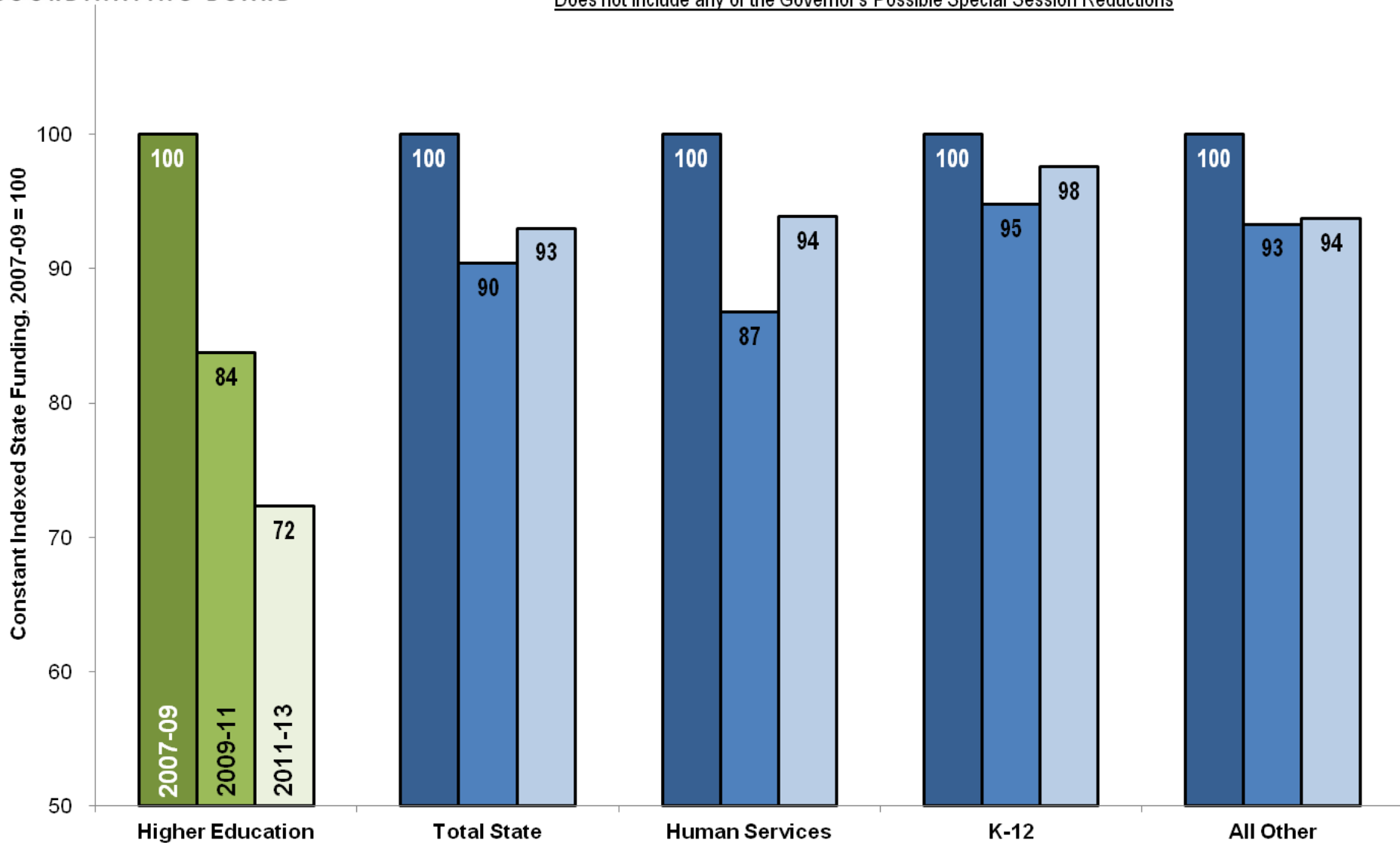
- Look at the extent of the state's declining contribution to higher education.
- Review aid to graduate students in Washington, including borrowing patterns.
- Mention recommendations that are being suggested to address the financial aid crisis.

Constant Indexed State Funding by Functional Area, 2007-09 to 2011-13

2007-09 = 100, 2007-09 IPD Inflation Adjusted

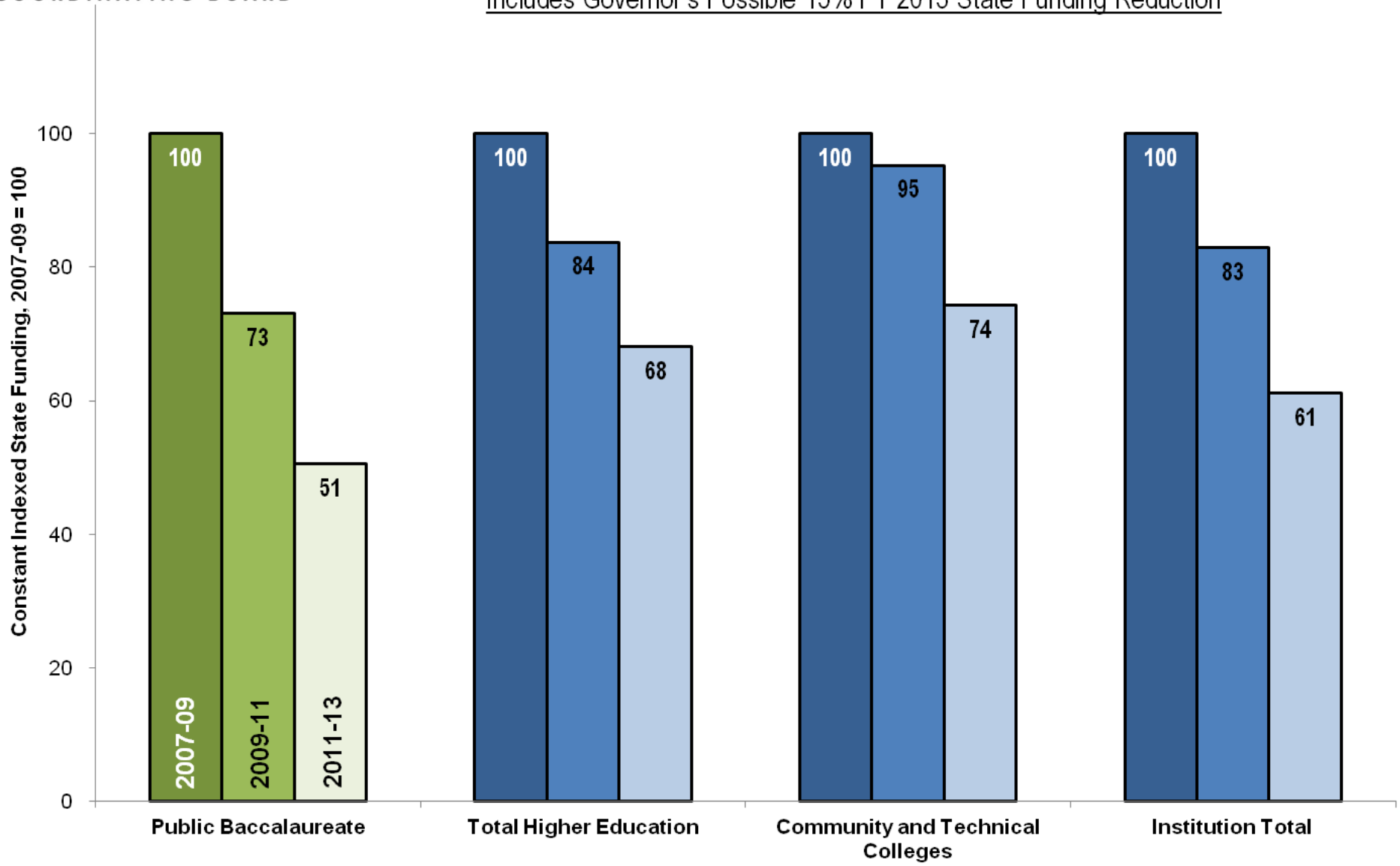
2011-13 Operating Budget as Enacted, Near General Fund- State and Opportunity Pathways Account

Does not include any of the Governor's Possible Special Session Reductions



Constant Indexed State Funding for Higher Education by Sector, 2007-09 to 2011-13
2007-09 = 100, 2007-09 IPD Inflation Adjusted

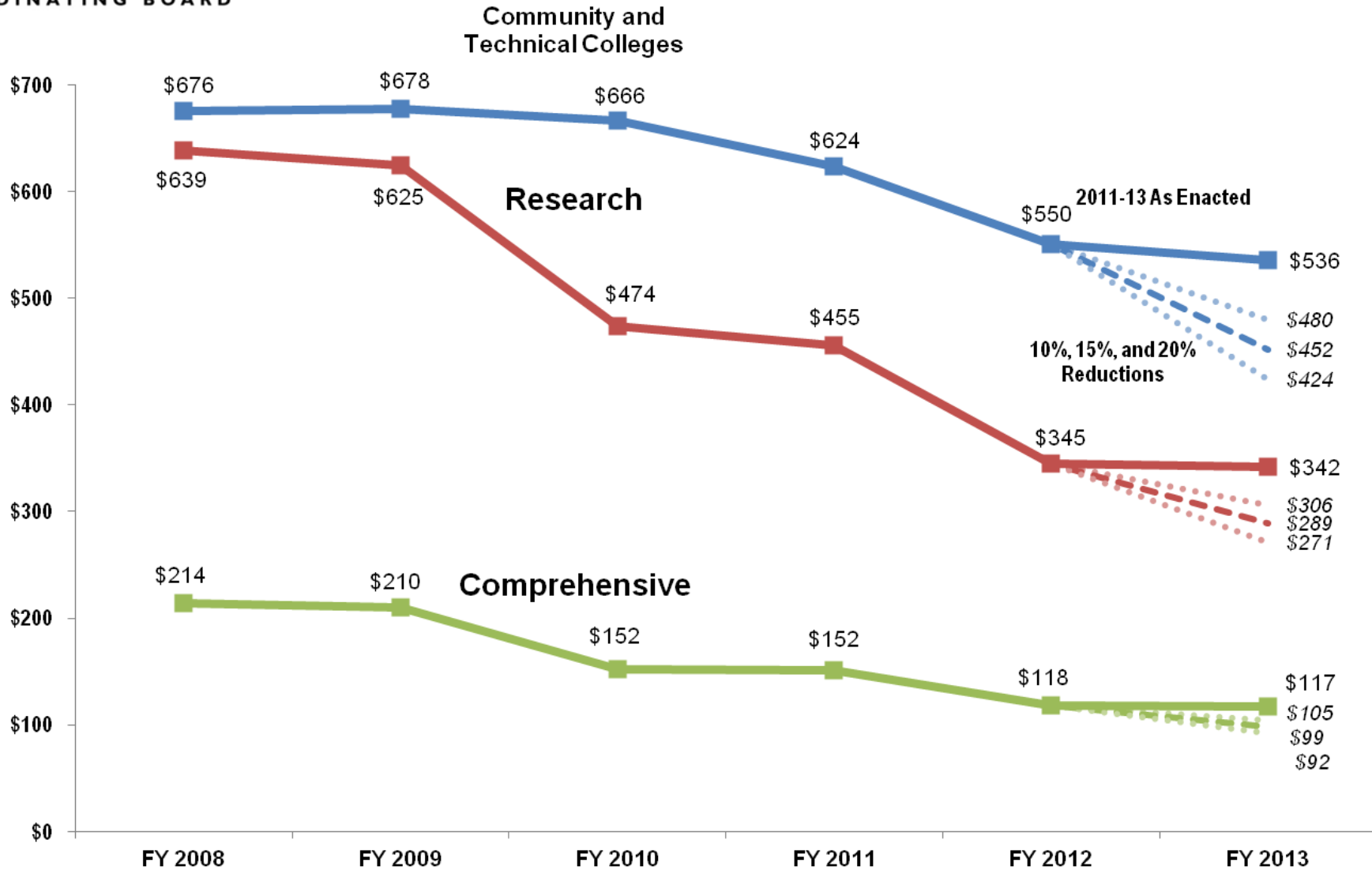
2011-13 Operating Budget as Enacted, Near General Fund- State and Opportunity Pathways Account
Includes Governor's Possible 15% FY 2013 State Funding Reduction



Source: HECB Analysis of Appropriations Data from Fiscal.wa.gov and LEAP Inflation Data

Public Higher Education Institution Funding by Sector, FY 2008-13
 In Millions of Constant 2008 Dollars
 (Includes Governor's alternative cuts to 2011-13 Operating Budget as Enacted)

NGF-S Operating Appropriations, Constant 2008 Dollars In Millions



What do we know about aid to Washington graduate students?

In 2010-11:

- 11% of total aid through scholarships and institutional aid.
- 12,280 needy graduate students borrowed an average of \$21,720 in federal student loans.
- 1,000 additional graduate students borrowed an average of \$16,160 in unsubsidized federal loans.

State financial aid for graduate students

- State Work Study is the only need-based program available to graduate students
 - Annual funding about \$8 million for both undergrad and graduate students
 - 500 graduate student awards in FY 2012
 - 2011-13 funding cut by nearly two thirds
- Future Teachers Conditional Scholarship/Loan Repayment Program—Temporarily Suspended
- Health Professional Conditional Scholarship and Loan Repayment Program—11 awards in 2011-12

What federal loans are available to degree students?

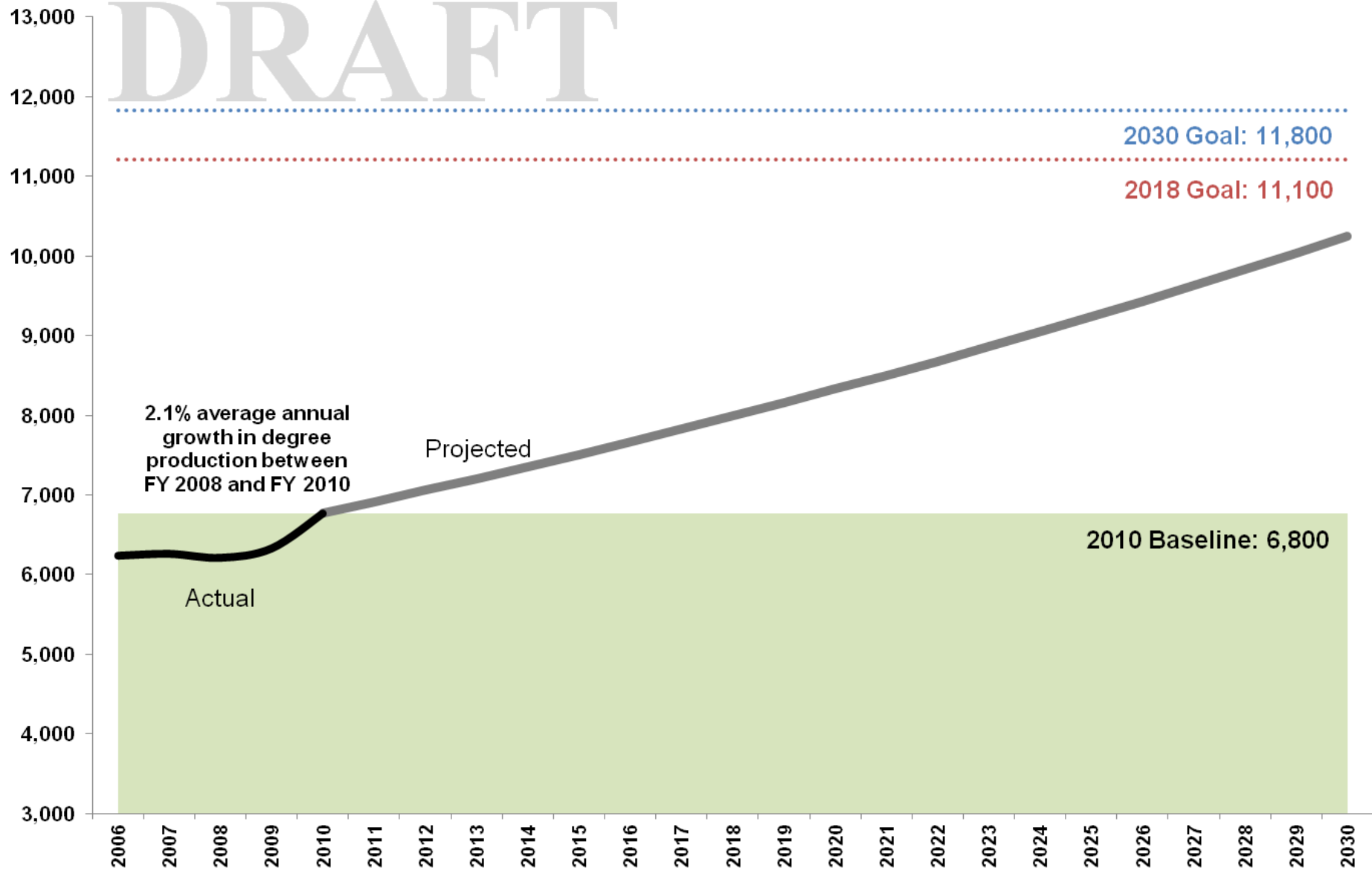
- Direct PLUS Loan
 - Required to complete FAFSA
 - Requires a determination that student doesn't have an adverse credit history
 - Fixed interest rate of 7.9%
- Available after maximum eligibility for Direct Subsidized and Unsubsidized Stafford Loans
 - 6.8% interest rate for graduate students
 - Up to \$12,500 per year, no more than \$5,500 subsidized

Campus-based federal aid for graduate students

- Federal Work Study
 - Part-time jobs for students with financial need
 - Related to community service and course of study
 - Wages at least equal to federal minimum wage
- Federal Perkins Loan
 - Low interest loan made through school's financial aid office
 - For students who demonstrate exceptional financial need
 - Graduate students can borrow up to \$8,000 a year depending on financial need and school funding level

Projected Graduate Degree Growth using 2006-2010 Increases vs. Goals Public Institutions Only

DRAFT



**Reality Check:
So What Can We Expect Regarding
Support for Graduate Education?**