

RESEARCH REPORT

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FINANCIAL AID IN WASHINGTON'S COMMUNITY AND TECHNICAL COLLEGES: KEY PROGRAM PARTICIPATION AND OUTCOMES

Introduction

Financial aid is an ever-growing topic of interest to researchers as well as policymakers in understanding the impact and relationship to student success. Aid comes in many forms, from merit-based or need-based scholarships and grants, loans, tuition waivers, and other. Federal and state aid programs alike are typically designed to assist students without the financial means to pay for college out of pocket. This is achieved through subsidies, the most notable being the Federal Pell Grant Program. The Pell grant was born from the Higher Education Act (HEA) of 1965 and reauthorization of 1972, and grew from the foundational basic educational opportunity grant to help low-income students access collegeⁱ. Currently the Pell grant is the largest federal grant aid award program, distributing \$28.6 billion to students nationally in the 2017-18 academic yearⁱⁱ. However, the Pell grant alone is not enough to cover the full cost of attendance, and many students must also take out loansⁱⁱⁱ. An even greater level of loans is the reality for students who do not meet the income eligibility requirements for a Pell grant and therefore must take on debt in order to make college accessible. Concerns about the rising cost of education and increasing levels of student debt have led to much policy focus around how to increase the amount of grant aid for students and minimize debt after graduation.

Washington state in particular has several financial aid programs that are designed to support low-income students' access to college, and in particular, those students with the largest barriers. The College Bound Scholarship^{iv} was established in 2007 and was designed to remove the prospect of financial barriers to college for low-income families, who might not believe it to be an option. Students from low-income families commit to pursuing higher education while in 7th or 8th grade, and qualify for the scholarship after graduating from high school. The Opportunity Grant^v is a locally administered program within the Washington State Community and Technical Colleges. This financial aid program is geared towards supporting low-income students to complete up to one year of not just any college program, but one that will lead to a credential supporting a living wage and high-demand career.

The largest Washington state program is the Washington College Grant, formerly known as the State

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Need Grant (SNG¹). This was established in 1969 and the eligibility requirements mirror that of the Pell grant. The SNG experienced a historic change in legislative session 2019 with the passage of the Workforce Education Investment Act (WEIA), through HB 2158^{vi}. The impetus for the legislation was a Washington Roundtable report^{vii}, which identified a need to fill 740,000 job openings in the subsequent five years, the majority of which would require some level of postsecondary education. The appropriation is funded through a business and operations tax leaning most heavily on the industries who will have the greatest need for credentialed workers to fill these jobs (engineers, financial services, healthcare, etc.). The key changes for the new total SNG biennial investment amount of \$860 million^{viii} includes an expansion of qualified applicants (up from 70 to 100 percent of median family income), guaranteed funding (entitlement) for those who qualify, and expansion to apprenticeship students.

Washington was nationally recognized for this investment^{ix} and is poised to serve as a policy leader for need-based aid as part of the solution for education access and contribution to the workforce. With this visibility comes a new level of accountability for the colleges to assess where we are now and set up systems to track the effectiveness of the new investment in meeting the needs of students and our state. The purpose of this paper is to describe the historical patterns of financial aid and establish a baseline of where the community and technical college system stands in current day to aid in this evaluation.

Research questions

This paper seeks to answer the following research questions:

1. What are the most common financial aid categories? How many students receive the different types of aid each year, and what is the average amount awarded?
2. Have the distributions of aid types changed over time?
3. What are the demographic breakdowns within the largest federal and Washington-focused financial aid categories of Pell grant, Federal loans, State Need Grant/WA College Grant, Opportunity Grant, and the College Bound Scholarship?
4. Have demographics within each aid type changed over time?
5. What are the completion rates for students within each aid type, four years after they receive aid? What kind of credential do they earn? How many quarters on average does it take to complete?

The paper concludes with a summary of key findings as well as next steps for future research, in particular in light of the emerging impact of COVID-19 on the future for Washington students in higher education.

Data source and methodology

The data for this report comes from quarterly snapshots of financial aid data in the SBCTC Data

¹ The name and policy changes for the Washington College Grant name and policy change had not taken effect during the time period covered in this study; therefore, the program is referred to as SNG for the remainder of the report

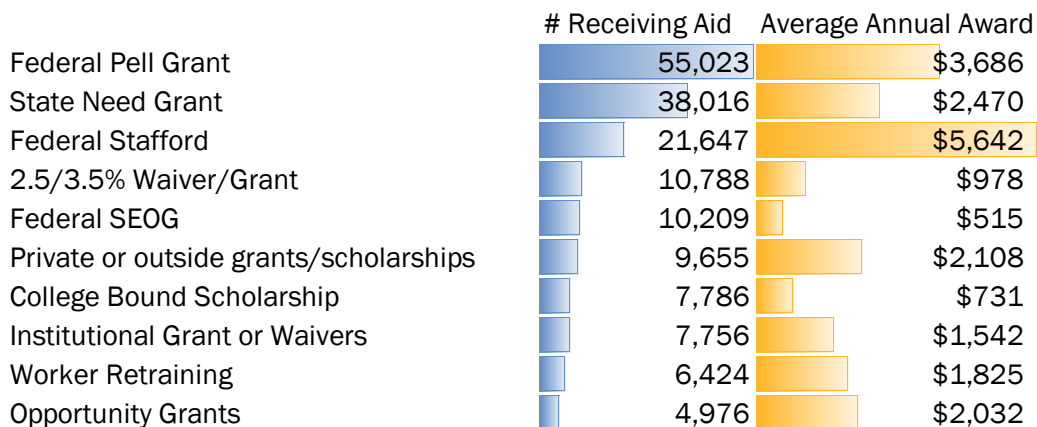
Warehouse. Across the 34 colleges comprising the system, different intuitions will have a variety of aid programs, but SBCTC's Data Services department works with colleges to classify common programs for comparability, several of which are included in this report. Some students who may be eligible for and apply for aid may not accept it for a number of reasons, such as deciding not to enroll for the quarter. This report focuses on students who are designated as actually receiving aid from a program. When viewing retention and completion metrics, a student in a given program is designated as such based on the first year and quarter a student received the aid. When referring to a student's highest credential, ranking is done as shown in the Appendix. The data feeding this report are compiled and aggregated in a dashboard published on the college access only SBCTC Research website.

Several aid programs are targeted to specific populations and needs, such as WorkFirst and Basic Food Employment and Training (BFET). While there are financial aid components built in to the programs to help students get education and training, not all support is in the form of financial aid (e.g. wrap around services). The counts in this report reflect only the students who received a financial aid component of the program. For counts of all students in a given program, refer to the enrollment dashboards^x available on the SBCTC Research website.

Types of financial aid

There are a significant number of different aid programs in the system, including many that are local to individual colleges. These include a variety of state and federal grants, loans, waivers, and scholarships. As shown in Figure 1, the three programs with highest number of recipients are Federal Pell Grants, the State Need Grant, and Federal Stafford Loans. In 2018-19 the Pell grant made up about 37 percent of all financial aid awarded with an annual total of over \$202 million. The next largest distribution comes from the Federal Stafford (FS) loan at \$122 million. While there are significantly fewer loan recipients than Pell grant recipients (21,657 compared to 55,023 in 2018-19), FS loan distributions made up 22 percent of all aid awarded. This is due to the high average annual award for loans at over \$5,600 in 2018-19. The State Need Grant (SNG) is the second most common aid type by way of recipients with \$93.8 million awarded across the system making up a 17 percent share of total aid awarded.

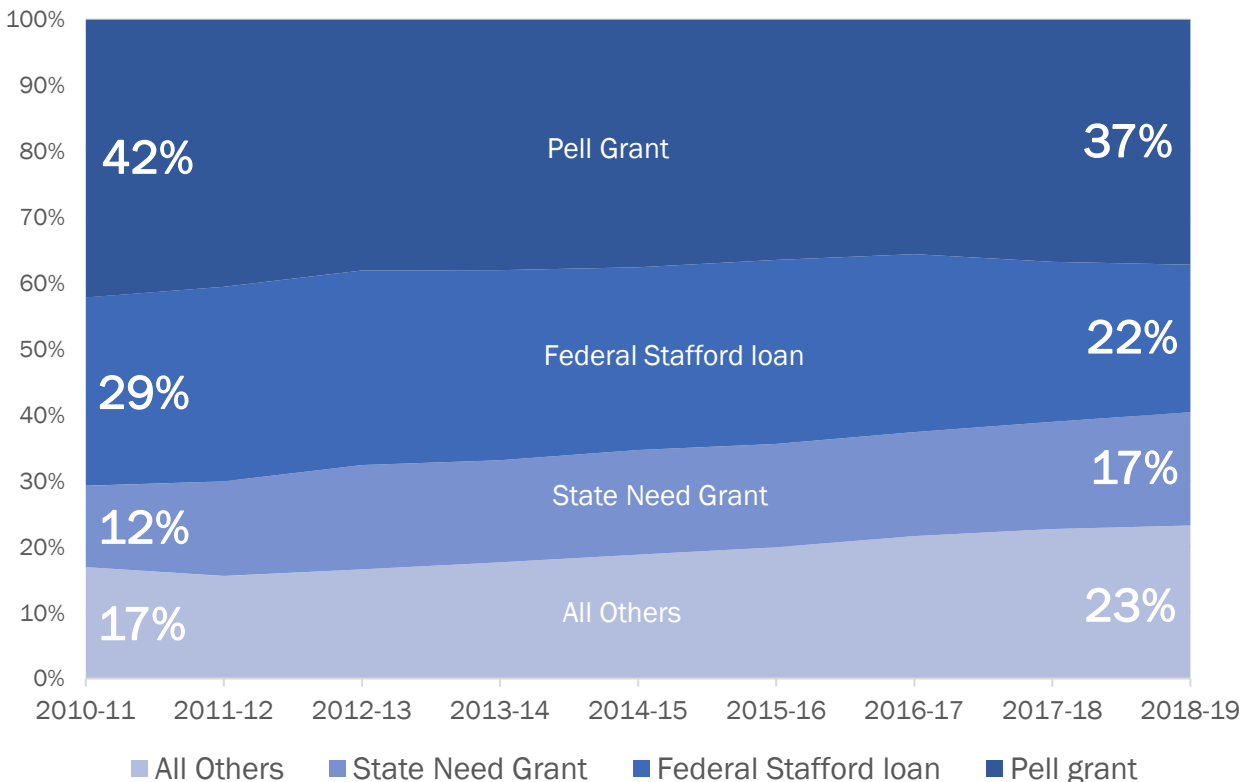
Figure 1. Top 10 aid programs by number of recipients: 2018-19



Financial aid programs over time

As noted above, in academic year 2018-19 the Pell grant, FS loan, and the SNG collectively made up three quarters (76 percent) of all aid awarded. While this appears to be a large percentage represented by just three aid programs, that share has changed over time (Figure 2). The share of total aid coming from the Pell grant has decreased about five percent, and the total share from the FS loan decreased seven percent. The share of the SNG contribution increased five percent, for a combined total change for the top three aid programs of about seven percent.

Figure 2. Distribution of financial aid as a percent of total over time



The shift in the “All Others” category from about 17 to 23 percent of the total comes from a combination of both changes in per recipient funding (average) in existing aid programs² and new additions. Table 1 displays the aid programs that existed in both academic years 2010-11 and 2018-19 with the largest nominal change in average award. The top program by dollar amount is the Federal PLUS program, which is a federal loan that is provided for graduate students and parents of undergraduate students to supplement after a FS loan and other financial aid has been exhausted. In both years there were not many recipients (approximately 140), but the average aid amount increased over \$3,000 between the comparison years. Private and alternative loans are another area that increased, both in recipients and average aid awarded. These noted increases are likely

² Colleges have experienced significant enrollment decline since academic year 2010-11 so change in total recipients is not used to measure change in aid program trends

related to the observed decrease in FS loans over the same time period, in that students who were not eligible for other types of aid still turned to loans regardless of the source. The average aid amount for private loans is one of the highest of all aid programs, second only to the Federal PLUS loan. The WorkFirst program saw an increase in the aid amount but a sizeable drop in total recipients. These changes resulted in an average award difference of \$996.

Table 1. Changes in existing aid programs 2010-11 to 2018-19

	2010-11		2018-19		Difference
	Recipients	Average award	Recipients	Average award	
Federal Plus	136	\$5,306	139	\$9,010	\$3,704
Private or alternative loans	357	\$6,319	583	\$7,805	\$1,486
Passport to College Promise	271	\$1,933	191	\$3,354	\$1,421
WorkFirst	4,182	\$1,189	2,979	\$2,185	\$996

The other factor for the change in distribution is new aid programs. Table 2 lists the programs with the highest total dollar amount in 2018-19 that did not exist in 2010-11. The largest by far is the Washington state College Bound Scholarship. This program awarded \$5.6 million in aid to over 7,000 students in 2018-19, making it the second largest state-based grant program by way of total recipients only to the SNG. The Early Achievers Grant (which began awarding funds in 2012-13 to just 63 students) was awarded to over 1,000 students with an average award of \$1,689. The Opportunity Scholarship distributed over \$1 million dollars to 500+ students leading to a sizeable average award of about \$2,200.

Table 2. New programs contributing to total aid in 2018-19

	Recipients	Total awarded	Average award
College Bound Scholarship	7,786	\$5,692,651	\$728
Early Achievers Grant	1,072	\$1,910,501	\$1,689
Opportunity Scholarship	525	\$1,160,250	\$2,210

Focus on largest federal aid and Washington specific programs

As described in the previous section, about 76 percent of all aid awarded is through the Pell grant, FS loans, and the SNG. The following section focuses on these three programs as well as the Washington-specific financial aid programs Opportunity Grant and College Bound scholarship. While there is significant overlap in the types of aid received (for example, most students receive both Pell and SNG), the analysis is focused on individual aid programs for the purpose of establishing distinct past trends and to establish a baseline for study going forward.

As mentioned in the introduction, Washington embodies a deep policy focus of providing opportunities for low-income students to overcome barriers to access college and raise educational attainment. To assess how best this focus seems to be working, the demographic makeup, changes in demographics between the years 2010-11 and 2018-19, and progression and credential completion by aid program are analyzed. For assessing outcomes, the cohort of students who first

received aid in the 2015-16 academic year is studied over a four-year time span. Average quarters enrolled, the highest credential earned, and the percent of students who do not complete any credential within that time period are studied for all demographic groups.

Federal Pell Grant

Even though the Pell grant remains the largest overall aid program, the number of recipients and percent of total aid awarded has decreased over time. Figure 3 describes the changes in demographics for this aid category. The percent of all award-seeking students receiving a Pell grant decreased from 32 percent to 26 percent. For gender, there were about four percent fewer males in 2018-19. For race/ethnicity there were significant changes in that the proportion of white recipients went from 61 percent to 47 percent. Much of this difference is accounted for by an increase in Hispanic student (8 to 12 percent) and 2+ races (9 to 16 percent). These patterns in race/ethnicity are consistent with trends in overall enrollment demographics. Slightly more younger students (age 19-24) received the grant (about 2 percent) and about 4 percent fewer older students received it in 2018-19.

Table 3 provides information about student progression and completion for students whose first award year for the Pell grant was 2015-16. Pell grant students (26,536) were enrolled for an average of 5.7 quarters over the four-year time period. This did not vary much by demographics, with the exception of Asian students, whose average was 7.1 quarters. By the end of the four years, 62 percent of the group had not completed any degree or certificate. For those who did, the most common credential was the associate degree in academic transfer (earned by 17 percent of completers). Females were slightly more likely to have completed than males and enrolled nearly a half quarter longer on average. Asian students had the highest completion rate (52 percent) and 29 percent earned an associate degree- transfer as their highest credential. Students aged 25 and older were more likely to have earned a credential than younger than 25, and their highest credential earned was an associate degree in a workforce field. Students younger than 25 had a higher rate of associate degrees intended to transfer to a four-year institution.

Figure 3. Pell grant demographics

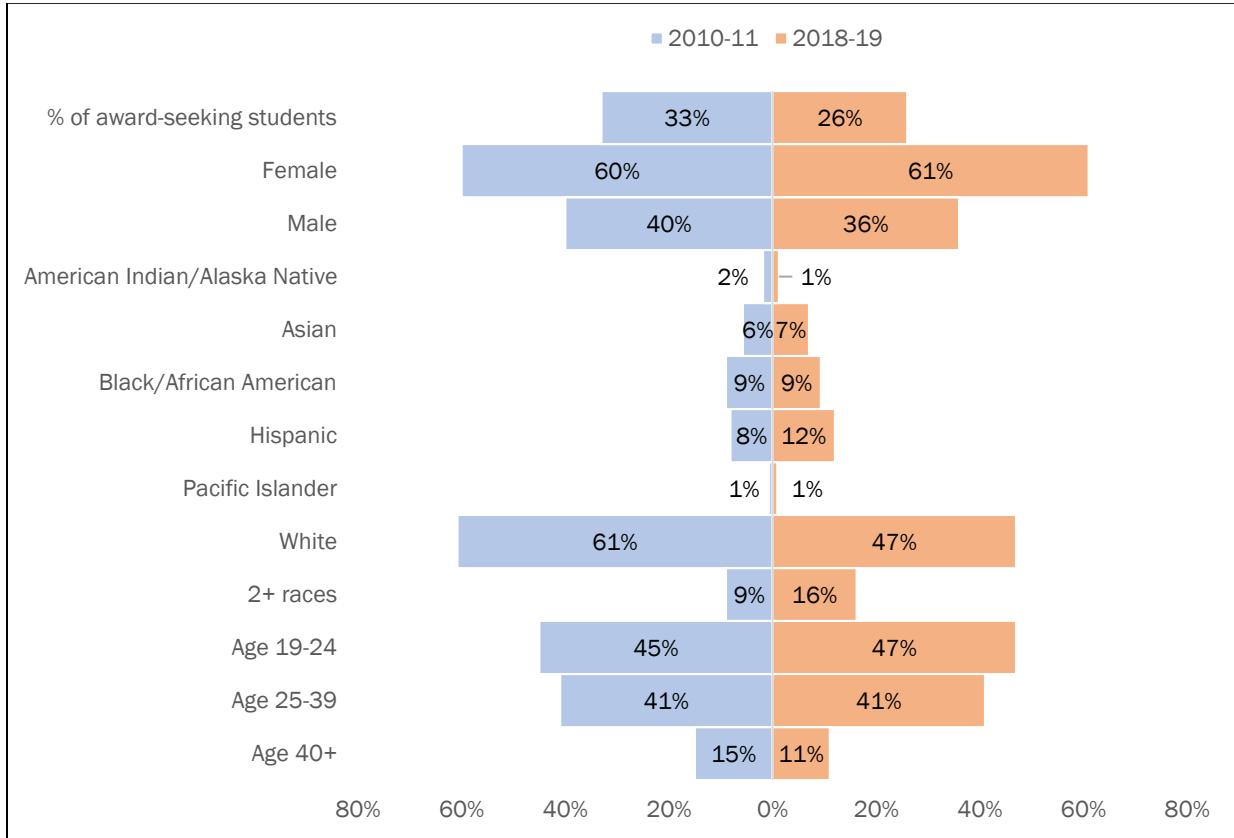


Table 3. Progression and completion rates for Pell grant recipients: 2015-16 cohort

	Recipients	Average quarters enrolled	% with no credential 4 years after first award	Highest credential (%)
All students	26,536	5.7	62%	Associate degree- transfer (17%)
Female	15,188	5.8	60%	Associate degree- transfer (19%)
Male	11,011	5.5	64%	Associate degree- transfer (15%)
American Indian/Alaska Native	411	5.2	71%	Associate degree- transfer (13%)
Asian	1,851	7.1	48%	Associate degree- transfer (29%)
Black/African American	2,252	5.6	69%	Associate degree- transfer (12%)
Hispanic	2,952	6.0	63%	Associate degree- transfer (19%)
Pacific Islander	295	5.1	69%	Associate degree- transfer AND workforce (11%)
White	13,745	5.5	61%	Associate degree- transfer (17%)
2+ races	3,605	5.5	66%	Associate degree- transfer (18%)
Age 19-24	14,285	5.7	64%	Associate degree- transfer (22%)
Age 25-39	9,363	5.7	59%	Associate degree- workforce (16%)
Age 40+	2,851	5.6	58%	Associate degree- workforce (20%)

Federal Stafford Loans

Of all the major aid sources, the FS loan has decreased the most over the past nine years as a percent of total aid. Figure 4 describes the changes in demographics for this aid category between 2010-11 and 2018-19. The percent of all award-seeking students receiving an FS loan decreased from 14 percent to 10 percent. For gender, there were about five percent fewer males in 2018-19 and one percent more females taking out loans. Like the Pell grant demographic changes for race/ethnicity, there were significantly fewer white students (67 percent to 59 percent). However, unlike the Pell grant changes, most of the change was accounted for by an increase in 2+ races (8 to 15 percent). Hispanic and Asian students are less likely to use FS loans than the Pell grant. Age of recipients did not change much, with slightly more students aged 25-39 receiving FS loans (about 2 percent) in 2018-19.

Table 4 provides information about student progression and completion for students whose first award year for the FS loan was 2015-16. FS loan students (13,511) were enrolled for an average of 5.6 quarters over the four-year time period. Like Pell grant recipients, this did not vary much by demographics with the exception of Asian students, whose average was 6.7 quarters. By the end of the four years, 56 percent of the group had not completed any degree or certificate, about six percentage points fewer than Pell grant. For those who did complete, the associate degree in academic transfer was the most common credential at 17 percent. Female students with FS loans were more likely to have completed than males and enrolled nearly a half quarter longer on average.

Also, like Pell, Asian students had the highest completion rate (50 percent) but only 20 percent earned an associate degree- transfer as their highest credential, as compared to 29 percent of Pell students. Black/African American and American Indian students were most likely to not have earned a credential after four years (66 and 68 percent, respectively). Students aged 25 and older were more likely to have earned a credential than younger than 25, and their highest credential earned was an associate degree in a workforce field. In general, FS loan students were more likely to have earned a workforce degree as their highest award across the different demographic groups as compared to Pell students, who had higher completion rates of transfer degrees. This coupled with the higher completion rate for older students suggests the possibility that these students have prior college experience or even a prior degree, and therefore exhausted grant benefits requiring loans to fund their next level of technical education.

Figure 4. Stafford loan demographics

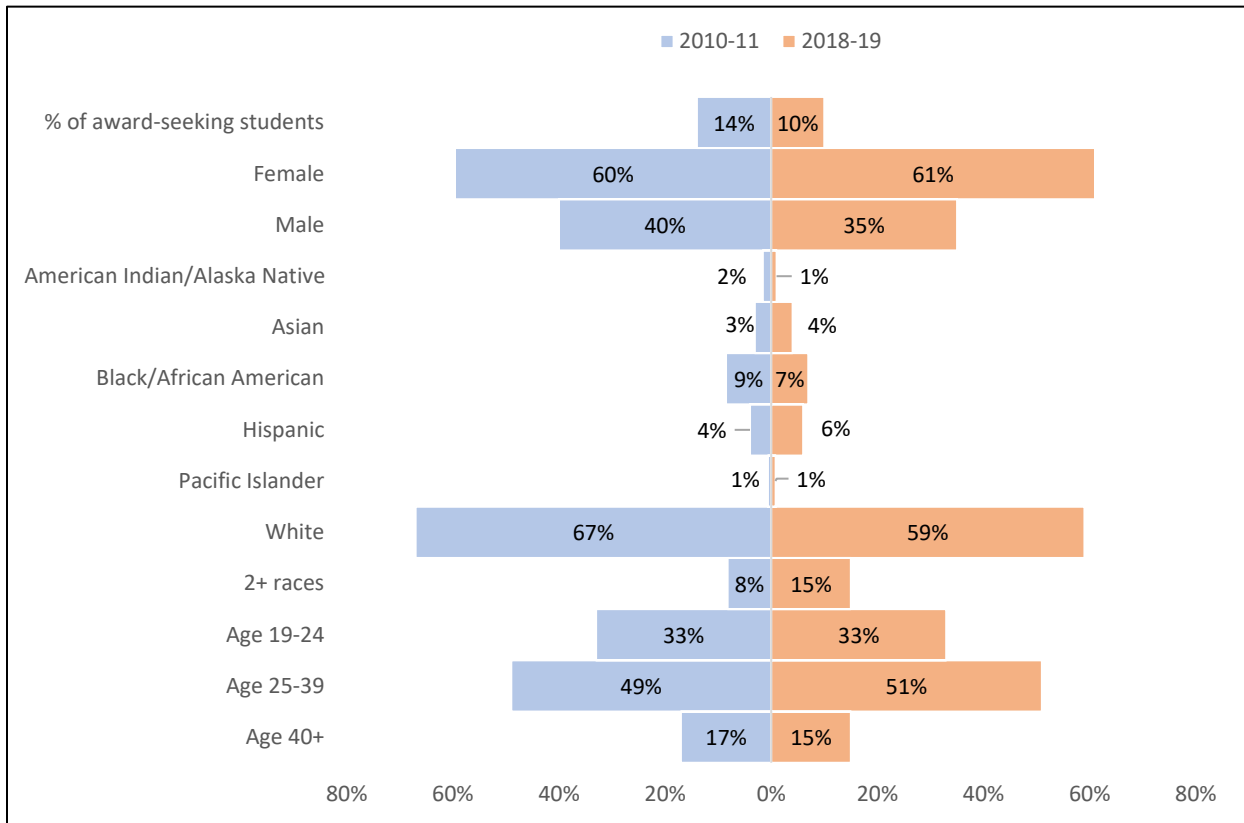


Table 4. Progression and completion rates for federal Stafford loan recipients: 2015-16 cohort

	Recipients	Average quarters enrolled	% with no credential 4 years after first award	Highest credential (%)
All students	13,511	5.6	56%	Assoc. degree- transfer (17%)
Female	7,756	5.8	53%	Assoc. degree- transfer (19%)
Male	5,545	5.4	59%	Assoc. degree- workforce (16%)
American Indian/Alaska Native	188	5.2	68%	Assoc. degree- workforce (15%)
Asian	611	6.7	50%	Assoc. degree- transfer (20%)
Black/African American	1,069	5.1	66%	Assoc. degree- transfer (14%)
Hispanic	809	5.7	56%	Assoc. degree- transfer (19%)
Pacific Islander	119	5.4	55%	Assoc. degree- workforce (19%)
White	8,217	5.6	54%	Assoc. degree- workforce (19%)
2+ races	1,735	5.5	61%	Assoc. degree- transfer (18%)
Age 19-24	5,563	5.5	60%	Assoc. degree- transfer (22%)
Age 25-39	6,013	5.7	55%	Assoc. degree- workforce (20%)
Age 40+	1,922	5.7	52%	Assoc. degree- workforce (24%)

State Need Grant

State aid, specifically, the State Need Grant (SNG), has increased as a percentage of total aid received in the last several years, accounting for 17 percent of all aid received by students in 2018-19, compared with 12 percent in 2010-11. Figure 5 describes the changes in demographics for this aid category. The percent of all award-seeking students receiving an SNG remained unchanged between 2010-11 and 2018-19. As noted in other aid categories, there were a couple percentage points fewer males and a couple points more females in the latter time period and the proportion of white recipients dropped from 63 percent to 44 percent. Nearly all of this difference is accounted for by an increase in Hispanic student (9 to 15 percent) and 2+ races (8 to 15 percent). Age showed a much different pattern than other aid categories in that there were significantly more younger students (19-24), increasing from 43 to 51 percent of the total while both categories of age 25-39 and 40+ dropped.

Table 5 provides information about student progression and completion for students whose first award year for the SNG was 2015-16. SNG students (20,386) were enrolled for an average of 5.9 quarters over the four-year time period. This is higher than both Pell and FS loan students, with Asian students continuing to have the highest average of 7.0 quarters. By the end of the four years, 55 percent of the group had not completed any degree or certificate, which is also lower than both Pell and FS loans. For those who did complete, the associate degree in academic transfer was the most common credential at 21 percent as the highest award. Female SNG students were slightly more likely to have completed than males.

SNG recipients identifying as Asian had the highest completion rate (57 percent) and 32 percent earned an associate degree- transfer as their highest credential, which is significantly higher than either Pell or FS loan students. In all other race/ethnic categories SNG students also had higher completion rates as compared to FS loans, except Pacific Islander students. As in other financial aid programs, older students continue to show a higher completion rate after four years, and their highest degree is more likely to be an associate degree in workforce. Students age 40 and older were the only other demographic aside from Asian students to have the majority complete (53 percent), and 26 percent of completers earned a workforce associate as their highest credential.

FINANCIAL AID IN WASHINGTON'S COMMUNITY AND TECHNICAL COLLEGES

Figure 5. State Need Grant demographics

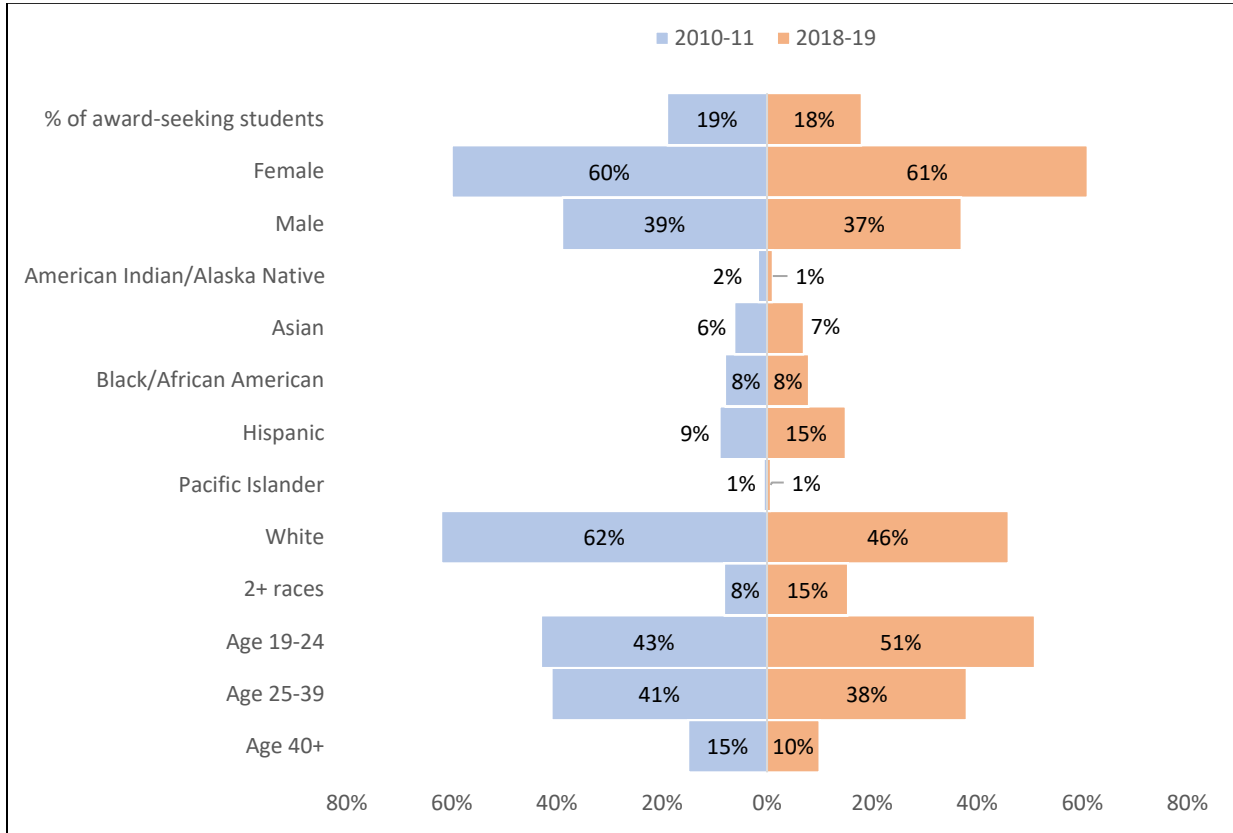


Table 5. progression and completion rates for State Need Grant recipients: 2015-16 cohort

	Recipients	Average quarters enrolled	% with no credential 4 years after first award	Highest credential (%)
All students	20,386	5.9	55%	Assoc. degree- transfer (21%)
Female	11,938	6.0	53%	Assoc. degree- transfer (23%)
Male	8,250	5.7	56%	Assoc. degree- transfer (19%)
American Indian/Alaska Native	270	5.9	63%	Assoc. degree- transfer (16%)
Asian	1,442	7.0	43%	Assoc. degree- transfer (32%)
Black/African American	1,552	6.1	63%	Assoc. degree- transfer (15%)
Hispanic	2,701	6.4	55%	Assoc. degree- transfer (25%)
Pacific Islander	167	5.3	62%	Assoc. degree- transfer (17%)
White	10,597	5.7	53%	Assoc. degree- transfer (20%)
2+ races	2,645	5.7	59%	Assoc. degree- transfer (21%)
Age 19-24	11,176	5.9	58%	Assoc. degree- transfer (26%)
Age 25-39	7,040	5.9	51%	Assoc. degree- workforce (21%)
Age 40+	2,117	6.0	47%	Assoc. degree- workforce (27%)

Opportunity Grant

The Opportunity Grant (OG) is a Washington state and, more importantly, a community and technical college-specific program. It is a relatively small program and therefore not highlighted in the previous sections as providing a significant portion of student aid or with large changes over time. However, its primary focus is to support underserved students with funds to enter and complete programs that lead to a living wage, which highly align with the policy goals of the system and state. It is therefore an important program to review within the context of financial aid access, demographics, and student outcomes.

Figure 6 describes the changes in demographics for OG recipients between 2010-11 and 2018-19. As noted above, the aid program is small being awarded to just two percent of degree-seeking students, a figure that has not changed over time. Shifts in the proportion of recipients by gender mirror other aid programs, with slightly more females and slightly fewer males. Race/ethnicity changes are also similar with a large decrease in the proportion of white recipients (55 to 44 percent) with the increase accounted for by more Hispanic (11 to 13 percent) and 2+ race students (7 to 13 percent). Black/African American students make up 13 percent of all aid recipients, which is the largest proportion of any aid program for this demographic. This program differs than the larger programs significantly by age in that over half of all recipients are between ages 25-39, a figure that has increased over time as well.

Table 6 provides information about student progression and completion for students whose first award year for the OG was 2015-16. OG students (2,698) were enrolled for an average of 5.3 quarters over the four-year time period. Not only are there significantly fewer OG students as compared to the other aid programs, the average quarters enrolled tends to be lower. Asian and American Indian/Alaska Native students have the highest average enrollment of 6.2 quarters, but the latter could be due to a small group size of just 49. By the end of the four years, just 35 percent of the group had not completed any degree or certificate, which is significantly lower than the other aid groups. For OG completers, a workforce associate degree was the most common highest earned credential (31 percent), followed closely by certificate at 28 percent. This is different than the other aid programs reviewed in this paper where the associate degree in academic transfer is the most common, and certificates make up single digit representation as the highest credential. As noted in the demographic review of OG, there are more female than male students receiving OG grant as compared to other aid programs. Female OG students enrolled for more quarters than males on average (5.5 compared to 5.0), are more likely to have earned a credential after four years, but the most common earned credential was a workforce associate degree for both groups.

Also, unlike the other, larger aid programs, OG students showed variability in outcomes by race/ethnicity. Hispanic students had the highest completion rate (77 percent), while Pacific Islander students had the lowest completion rate (55 percent). American Indian/Alaska Native, white, and students who identify as 2+ races were more likely to earn an associate degree in workforce as their highest credential, while all other races earned a certificate as their highest. Small group sizes account for some of the wide range in percentages, but overall it appears that students of color who receive OG are more likely to attend college just for the year they were funded resulting in a certificate as their highest credential, as compared to their white counterparts. This suggests an opportunity for future study to ensure all program participants are on a strong pathway and have funding support to continue past a one-year certificate and on to a degree and a living wage career.

Age also shows a different pattern for OG students as compared to other financial aid programs. Students age 24 and younger have the same completion rate (63 percent) compared with those 40 and older, with the younger student group more likely to have earned a certificate as their highest award. Students aged 25-39 had the highest completion rate (68 percent) and their highest credential was an associate degree in workforce, with 34 percent of completers.

Figure 6. Opportunity Grant demographics

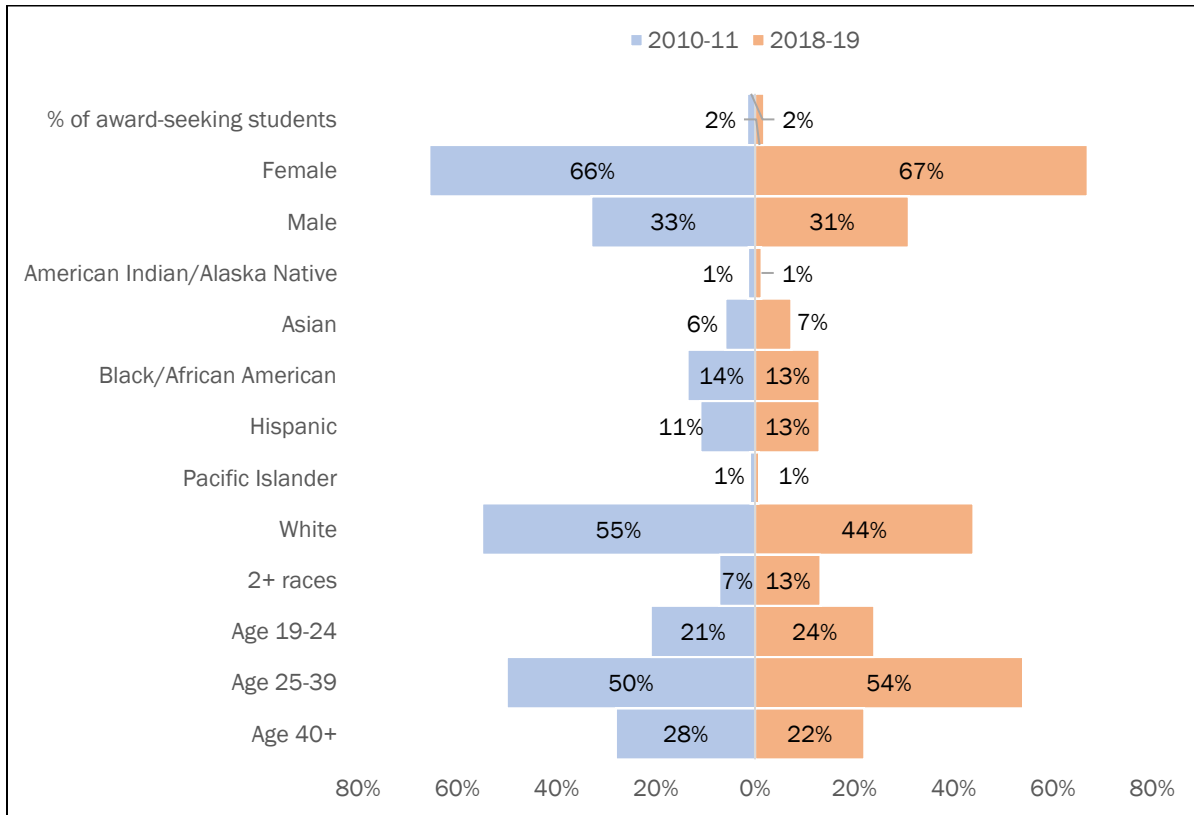


Table 6. progression and completion rates for Opportunity Grant recipients: 2015-16 cohort

	Recipients	Average quarters enrolled	% with no credential 4 years after first award	Highest credential (%)
All students	2,698	5.3	35%	Assoc. degree- workforce (31%)
Female	1,731	5.5	32%	Assoc. degree- workforce (31%)
Male	936	5.0	37%	Assoc. degree- workforce (30%)
American Indian/Alaska Native	49	5.9	39%	Assoc. degree- workforce (31%)
Asian	148	5.9	26%	Certificate (42%)
Black/African American	355	5.3	40%	Certificate (36%)
Hispanic	361	5.7	23%	Certificate (37%)
Pacific Islander	31	4.2	45%	Certificate (35%)
White	1,233	5.2	35%	Assoc. degree- workforce (37%)
2+ races	358	5.1	39%	Assoc. degree- workforce (27%)

Age 19-24	652	5.2	37%	Certificate- (30%)
Age 25-39	1,378	5.5	32%	Assoc. degree- workforce (34%)
Age 40+	654	5.2	37%	Assoc. degree- workforce (30%)

College Bound Scholarship

Similar to the Opportunity Grant, the College Bound Scholarship is Washington state-specific. It is also not a particularly large program; however, as noted in the aid overview section above, it's contribution to number of recipients and overall aid has risen dramatically over the past nine years. In 2018-19, it made up five percent of the total "all other" aid category alone.

Figure 7 describes the changes in demographics for College Bound between 2012-13 and 2018-19 (note: the program did not start until academic year 2012-13, so the comparison in timeline will vary from other programs compared in this paper). As noted above, the aid program is small but had increased in awards from less than one to over four percent of all degree-seeking students. Age is an irrelevant factor since the program is designed specifically for recent high school graduates, so all recipients are under age 25. Shifts in the proportion of recipients by gender mirror other aid programs, with slightly more females and fewer males. Changes over time in the composition of race/ethnic groups is the most profound of any aid program. The College Bound scholarship is the most diverse aid program with just 41 percent of aid awarded to white students in 2012-13. The next largest group was Hispanic at 25 percent. By 2018-19, students identifying as Hispanic have nearly matched white students as the largest group of recipients at 31 percent (32 percent white students). Students identifying as 2+ races increased from 13 to 16 percent of all recipients in 2018-19.

Table 7 provides information about student progression and completion for students whose first award year for the College Bound Scholarship was 2015-16. College Bound students (3,186) were enrolled for an average of 6.2 quarters over the four-year time period. This is the highest of all aid programs in this study, with Asian students continuing to have the highest average of 7.3 quarters. However, by the end of the four years 60 percent of the group had not completed any degree or certificate. For those who did, the associate degree in academic transfer was the most common at 28 percent as the highest award. Similar to every other aid program in this study, female College Bound students were more likely to have completed than males.

College Bound students identifying as Asian had the highest completion rate after four years (52 percent) and 43 percent of completers earned an associate degree- transfer as their highest credential, which is the highest of any aid program in this study. Pacific Islander students were the smallest group at just 26, but had a very high non-completion rate (77 percent) and were the only demographic group that were just as likely to receive a certificate as their highest credential as the associate degree in transfer. Hispanic College Bound students are showing relatively strong results, being enrolled an average of 6.8 quarters, nearly half earning a credential in four years (46 percent), and 32 percent of completers having their highest credential as an associate degree in transfer. As noted in the demographic overview, as of 2018-19 Hispanic students made up nearly one-third of all College Bound recipients. These outcomes of increased access coupled with positive student success are encouraging signals that the aid program is aligned with the policy goal for which it was created – removing barriers and supporting educational attainment to this historically underserved group.

Figure 7. College Bound Scholarship

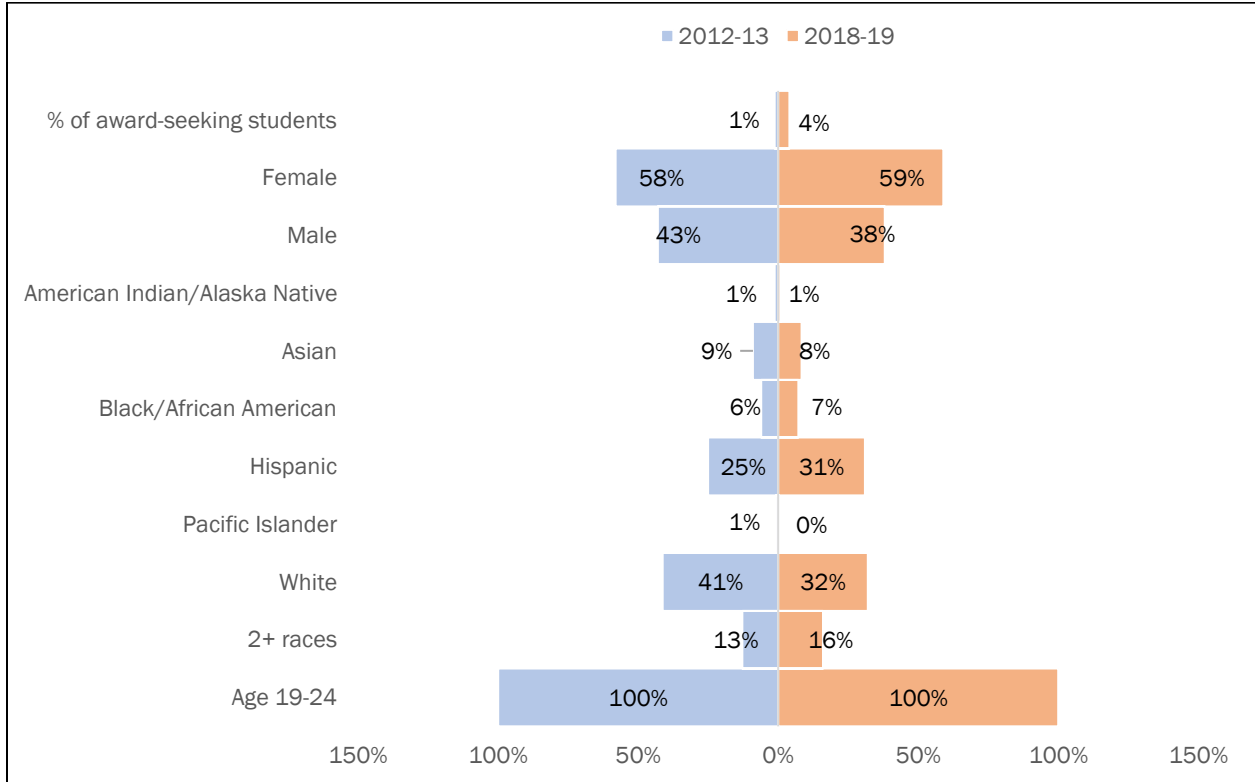


Table 7. Progression and completion rates for College Bound Scholarship recipients: 2015-16 cohort

	Recipients	Average quarters enrolled	% with no credential 4 years after first award	Highest credential (%)
All students	3,186	6.2	60%	Assoc. degree- transfer (28%)
Female	1,880	6.4	57%	Assoc. degree- transfer (31%)
Male	1,277	6.1	63%	Assoc. degree- transfer (24%)
American Indian/Alaska Native	30	6.8	70%	Assoc. degree- transfer (30%)
Asian	292	7.3	48%	Assoc. degree- transfer (43%)
Black/African American	234	6.2	70%	Assoc. degree- transfer (20%)
Hispanic	846	6.8	54%	Assoc. degree- transfer (32%)
Pacific Islander	26	5.8	77%	Assoc. degree- transfer AND Certificate (12%)
White	1,133	5.8	61%	Assoc. degree- transfer (25%)
2+ races	504	5.9	66%	Assoc. degree- transfer (26%)

Conclusion

Washington state has a strong history of higher education financial aid policies designed to support historically underserved students accessing and succeeding in college. The recent substantial

investment and rule changes for the State Need Grant has been referenced as “one of the more progressive statewide grants to emerge in recent years.”^{xi} The goal of this paper was to evaluate what kinds of financial aid has been awarded over time and to which students to best understand the outcomes of financial aid policy to date as well as establish a baseline for tracking the effectiveness of new policies going forward. The analysis focused on the three programs that make up the majority of financial aid (Pell grant, State Need Grant, and federal Stafford loan) plus two Washington state specific programs for low-income income students (Opportunity Grant and College Bound scholarship).

In viewing demographic changes over time, it is clear that the makeup of the student population is more diverse. In particular, the Hispanic population in particular has grown significantly, and none more so than within the College Bound Scholarship program, where there are nearly as many Hispanic as white students. As of 2018-19, Black/African American students make up 13 percent of all Opportunity Grant recipients, which is the largest proportion of any aid program for this demographic. These statistics suggest progress is being made with respect to one goal within need-based aid programs, which is access to higher education. However, getting students in the door is just the first step, and the most important is persisting all the way through to completion. The findings from this study show there is still work to be done in closing this most important equity gap.

Among the three largest aid programs of Pell, FS loans and SNG (of which there are substantial overlap in recipients), historically underserved students of color are less likely to have completed a credential within four years after receiving the aid. Opportunity Grant recipients, while on the aggregate show a higher completion rate as compared to other aid programs (65 percent), are more likely to earn a workforce certificate as the highest credential. Further, historically underserved students of color are more likely to earn a certificate as compared to white students, even though their average number of quarters enrolled is longer. A somewhat different pattern is emerging with the growing population of Hispanic College Bound students, who are showing promising results in completion, with nearly half earning a credential in four years and a third of those completers having earned an associate degree in transfer education as their highest credential. An important takeaway from this finding is the importance of a clear educational path from an early age. Colleges could look to the successful elements of this program that can be applied to their guided pathways efforts, and in particular for low-income and first-time in college students.

At the beginning of this study, the primary element driving the research questions and future direction was the new significant investment being made in the Washington College Grant through the Workforce Education Investment Act. The economy was thriving to the point where colleges' largest concern was years of declining enrollment therefore driving the need to find new ways to attract students, particularly those from underserved backgrounds. The research questions were designed to capture trends plus a snapshot of aid information to help track progress going forward from that baseline. At the time these conclusions are being written, the world has experienced a global pandemic with the COVID-19 virus. This is causing great uncertainty in all areas of life, and the future of higher education is no different. College campuses have closed to in person instruction, moved classes to an online format, and in some cases suspended technical programs. It has also resulted in a recession unlike any other before that is causing uncertainty about future funding levels across the board, from the new Washington College Grant to emergency aid for students through the CARES Act to regulations around loans repayments^{xii}. This changes our assumptions in how we think about financial aid and shifts the focus of future study on student access and success even deeper

into questions about who will come to college, who will stay in college, and for what purpose.

Reflecting upon the recession of 10 years past as well as thinking about the current state raises several important questions for continuing to evaluate impacts of student financial aid.

- What will happen to enrollment, particularly if colleges are not able to open campuses. Not all students are willing or able to participate in higher education in an online format. What will that look like for students who are close to completing their programs as well as those looking to enroll for the first time?
- What will student support look like, especially without the benefit of face to face advising and interaction? How will these circumstances impact students' decision to enroll, especially those who are first generation and facing significant barriers regardless of the pandemic?
- What will family finances look like? Will a significant larger portion of the college-going population now qualify for need-based aid programs? Even if so, will enrolling in higher education be the priority, or will it still be too expensive?
- How might the entitlement component of the new Washington College Grant and its ability to fill unmet need impact those decisions? What kind of impact might this have on completion rates?
- How might people think about higher education as an opportunity for future advancement as opposed to something to do and pay the bills while looking for employment? What kind of impact will these circumstances have on completion rates?
- What kinds of programs and credential levels will students look to for their future? Will the definition of high demand change, based on industries most impacted by the pandemic? Will students be willing to engage in a two year or longer program to earn a credential with the highest future earning power? Or will the economic instability shift focus to shorter term credentials with a goal of immediate employment?
- How will funding policies, such as those within the Opportunity Grant for high wage/high demand programs, impact those decisions? How do we ensure the equity gap does not continue to grow within this context?

Appendix: How Highest Credential Is Determined

Credential Title	Credential Category	Rank
Applied Baccalaureate Degree	Applied Baccalaureate	1
AS-T Degree Track 2	Associate Degree-Transfer	2
AS-T Degree Track 1	Associate Degree-Transfer	3
Associate in Physics Education – AS-T Track 2	Associate Degree-Transfer	4
Associate in Chemistry Education – AS-T Track 1	Associate Degree-Transfer	5
Associate in Biology Education – AS-T Track 1	Associate Degree-Transfer	6
Associate in General Science Education – AS-T Track 1	Associate Degree-Transfer	7
Associate in Bioengineering and Chemical Engineering – AS-T/MRP	Associate Degree-Transfer	8
Associate in Computer Engineering and Electrical Engineering – AS-T/MRP	Associate Degree-Transfer	9
Associate in Mechanical, Civil, Aeronautical, Industrial and Materials Science Engineering – AS-T/MRP	Associate Degree-Transfer	10
Associate in Mechanical Engineering Technology – AS-T/MRP	Associate Degree-Transfer	11
Associate in Electronics Engineering Technology and Computer Engineering Technology – AS-T/MRP	Associate Degree-Transfer	12
Associate in Biology – DTA/MRP	Associate Degree-Transfer	13
Associate in Computer Science DTA/MRP	Associate Degree-Transfer	14
Associate in Music DTA/MRP	Associate Degree-Transfer	15
Associate in Business – DTA/MRP	Associate Degree-Transfer	16
Associate in Math Education – DTA	Associate Degree-Transfer	17
Associate in Pre-Nursing – DTA/MRP	Associate Degree-Transfer	18

Credential Title	Credential Category	Rank
Associate in Nursing - DTA/MRP	Associate Degree-Transfer	19
Associate in Technology – DTA/MRP	Associate Degree-Transfer	20
Associate in Construction Management – DTA/MRP	Associate Degree-Transfer	21
Associate in Elementary Education – DTA/MRP	Associate Degree-Transfer	22
Associate in Arts – Transfer DTA	Associate Degree-Transfer	23
Associate in Arts – Transfer Non-DTA	Associate Degree-Transfer	24
Associate in Applied Science - T - AAS-T	Associate Degree-Workforce	25
WorkForce Degree other than the AAS-T	Associate Degree-Workforce	26
Apprenticeship	Apprenticeship	27
Certificate, >= 90 credits	Certificate	28
Certificate, 45-89 credits	Certificate	29
Certificate, 20-44 credits	Certificate	30
Certificate, 1-19 credits	Certificate	31
General Studies Degree	General Studies Degree	32
High School Completion	High School Diploma/Equivalent	33
GED Certificate	High School Diploma/Equivalent	34



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Except where otherwise noted

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