

2016 Supplemental Operating Budget Request

Submitted by:

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STATE OF WASHINGTON
WASHINGTON STUDENT ACHIEVEMENT COUNCIL

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October 2, 2015

The Honorable Jay Inslee
Office of the Governor
P.O. Box 40002
Olympia, Washington 98504-0002

Dear Governor Inslee:

Enclosed is the Washington Student Achievement Council's 2017 supplemental operating budget request. Following the guidelines issued by the Office of Financial Management, we provide a non-discretionary caseload request, a technical correction, and several critical decision packages necessary to meet program policy goals and continue to make progress in raising educational attainment in Washington.

1. State Need Grant Awards – *Reduce the Funding Gap* (PL)
2. College Bound Scholarship Awards – *Meet Caseload Forecast* (ML)
3. College Bound Scholarship Infrastructure – *Enhance Outcomes* (PL)
4. STEM Alliance Funding – *Maintain Support* (PL)
5. Consumer Protection – *Expand On-Site Oversight of Institutions* (PL)
6. Aerospace Loan – *Provide Expenditure Authority* (ML)

The Council's work advances your *Results Washington* goal to provide our citizens with a world-class education that prepares them for success in a job or career providing for a healthy and productive life. We must all work together as a state to make measurable improvement in the leading indicators of access to education that prepares students to transition to elementary, middle, and high school, postsecondary, career, and lifelong learning opportunities. The Council will be submitting an update to the 2013 Roadmap to provide an overview of progress in overall attainment, highlighting K-12 completion, postsecondary enrollment, and graduation.

Following the unprecedented tuition reductions of 2015, the Council believes it is critical to maintain the momentum to improve affordability for all students. Maintaining critical postsecondary education investments will advance the state's educational goals and meet workforce needs. Tuition reductions will permit an investment in **State Need Grant** (SNG) to serve additional students due to reduced award amounts. Despite the slight drop in enrollments of eligible students, 27,000 enrolled students remain without any SNG, resulting in increased loan debt and higher rates of part-time and part-year attendance. The Council is requesting a commitment to the state's

flagship grant program for low-income students by providing \$19 million which would serve an additional 4,500 students with critical financial aid.

SNG also provides the funding foundation for the **College Bound Scholarship** (CBS). The Council believes CBS has shown promising results as a dropout prevention and postsecondary success program. Approximately 15,690 students will be eligible for scholarship payments in 2016-17 (as of June 2015). The program has grown exponentially and our agency serves as the central administrator to ensure quality and frequent communications are provided to students, families, schools, and nonprofit organizations. Additional legislative requirements were added in 2015 via SB 5851 without necessary funding. The Council is requesting \$531,000 for resource expansion in program administration, communications, and research, as well as payments for data exchanges to monitor scholarship eligibility.

The **STEM Alliance** includes business, labor, nonprofit, and educational organization members who are working to advance STEM education initiatives and develop a web-based progress report. The National Governors Association selected Washington as one of eight states to receive funding; however, the grant has expired and the Alliance has begun to have a positive impact on coordinated statewide efforts to align STEM education with the needs of our dynamic technology-based economy. The Council's request of \$155,000 would provide the resources to guide and support the work of the STEM Alliance.

Our agency is charged with regulatory oversight providing students with **consumer protection** in the areas of degree authorization for out-of-state institutions doing business in Washington, monitoring of institutions participating in state financial aid programs, and oversight in the approval of Veterans Benefits. To provide resources to increase on-site technical assistance and outreach, the Council is requesting \$223,000.

Finally, the **Aerospace Training Student Loan Account** permits administrative expenditures from the fund but requires an appropriation. To align with the intent for the fund to eventually be self-sustaining and provide resources to administer the growing program, the agency is requesting \$94,000 in expenditure authority.

As Washington continues to grapple with a slow economic recovery, we in state government face difficult decisions around budgetary priorities, cuts, and investments. On behalf of the Washington Student Achievement Council, thank you for your continued commitment to the goals and values that support access to opportunity and success in education for all students in Washington. We look forward to reviewing our budget request with your staff.

Sincerely,



Gene Sharratt
Executive Director

Enclosure

State of Washington
Recommendation Summary
 (By Agency Priority)

11:08:21AM

Agency: 340 Student Achievement Council

10/5/2015

Dollars in Thousands

	Annual Average FTEs	General Fund State	Other Funds	Total Funds
2015-17 Current Biennium Total				
Total Carry Forward Level				
Percent Change from Current Biennium				
M1 CE College Bound Caseload Estimates				
Carry Forward plus Workload Changes				
Percent Change from Current Biennium				
M2 AL Aerospace Loan Authority	0.4		94	94
Total Maintenance Level	0.4		94	94
Percent Change from Current Biennium				
PL N5 State Need Grant Awards		19,000		19,000
PL N6 College Bound Infrastructure	0.2	531		531
PL N7 Gov. STEM Alliance Facilitation	0.5	155		155
PL N8 Consumer Protection	0.9	223		223
Subtotal - Performance Level Changes	1.6	19,909		19,909
2015-17 Total Proposed Budget	1.9	19,909	94	20,003
Percent Change from Current Biennium				

M1 CE College Bound Caseload Estimates

The 2015 Legislature appropriated \$61.67 million for College Bound Scholarship (CBS) awards for eligible students for the 2015-17 biennium based on February 2015 Caseload Forecast Council projections of new and continuing eligible postsecondary students enrolled by sector and award amounts. The November forecast projections of eligible enrollments, funding coordination assumptions with the State Need Grant, and data reported from institutions from fall 2015 will influence projections for FY 17. This decision package is a placeholder to refine the CBS funding needs for FY 17.

M2 AL Aerospace Loan Authority

The Aerospace Training Student Loan Account statute (28B.122.050) permits administrative expenditures from the fund but requires an appropriation. This decision package requests expenditure authority for administrative expenses. This request aligns with the intent for the program to eventually be self-sustaining.

The Aerospace Loan Program (ALP) has grown over time. In 2016, Renton Technical College will be added to payments, and Everett Community College has been newly authorized to participate. With a growing program, improvements to the application process need to be made. Further, more resources need to be committed to borrowers once in repayment to ensure proactive default prevention activities.

PL N5 State Need Grant Awards

The State Need Grant, serving students for 45 years, is the core of the state's effort to broaden participation and attainment in postsecondary education. Since 2007, the state has committed to students from families below the 70th percentile of the state's median family income. But the number of eligible students has long outpaced the funding for the program. Lower tuition is a tremendous step toward a more affordable system overall, and has reduced the cost of serving currently unserved students. Now the state needs to recognize the surge of eligible students and ensure cost is not a barrier to attainment.

PL N6 College Bound Infrastructure

As the program administrator for the College Bound Scholarship, the Washington Student Achievement Council (WSAC) has broad responsibilities from program promotion, application management, student and family communication, partnership training, data sharing, evaluation, and scholarship payments. The program has grown since its inception and the demands for additional duties from WSAC have also expanded. This request will provide resources to WSAC to expand student, family, school, and partner communications; streamline the application system; enhance data transfer activities; improve student eligibility monitoring; and fulfill recent legislative requirements.

PL N7 Gov. STEM Alliance Facilitation

In 2013, the Legislature passed ESSHB 1872, creating the Governor's STEM Education Innovation Alliance to increase awareness and expand opportunities in STEM education and provide annual reports on progress. This initiative was initially unfunded. However, WSAC won a National Governors Association grant on behalf of the Governor to support this work. With grant funding, WSAC staff supported the Alliance's work to advance STEM education. The grant runs out in June 2016. This supplemental request provides \$155,000 in annual funding to continue this work, leading STEM Alliance activities and the preparation of annual report cards on STEM education progress.

PL N8 Consumer Protection

WSAC is charged with regulatory oversight serving to protect students through a variety of programs. These include degree authorization, state student financial aid, and program approval for veteran's education benefits.

This proposal enhances our oversight capabilities and increase efficiencies by:

1. Providing resources to allow for a minimum of one technical assistance/compliance visit to each degree authorization participating institution per biennium, and close monitoring of schools participating in state financial aid programs.
2. Addressing the necessary costs to comply with contractual federal requirements and ensure veterans are able to access earned educational benefits.

State of Washington
Recommendation Summary

11:41:31AM

Agency: 340 Student Achievement Council

10/5/2015

Dollars in Thousands

Annual Average FTEs	General Fund State	Other Funds	Total Funds
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Program: 010 Coordination and Administration

2015-17 Current Biennium Total

Total Carry Forward Level

Percent Change from Current Biennium

Carry Forward plus Workload Changes

Percent Change from Current Biennium

Total Maintenance Level

Percent Change from Current Biennium

PL N7 Gov. STEM Alliance Facilitation	0.5	155	155
PL N8 Consumer Protection	0.9	223	223

Subtotal - Performance Level Changes	1.4	378	378
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2015-17 Total Proposed Budget	1.4	378	378
Percent Change from Current Biennium			

Program: 030 Student Financial Assistance

2015-17 Current Biennium Total

Total Carry Forward Level

Percent Change from Current Biennium

M1 CE College Bound Caseload Estimates

Carry Forward plus Workload Changes

Percent Change from Current Biennium

M2 AL Aerospace Loan Authority	0.4	94	94
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Total Maintenance Level	0.4	94	94
Percent Change from Current Biennium			

PL N5 State Need Grant Awards		19,000		19,000
PL N6 College Bound Infrastructure	0.2	531		531
Subtotal - Performance Level Changes	0.2	19,531		19,531
2015-17 Total Proposed Budget	0.6	19,531	94	19,625
Percent Change from Current Biennium				

Decision Package Summary - Maintenance Level

Decision Package Code	Decision Package Title	Total Proposed Dollars
CE	College Bound Caseload Estimates	\$1
AL	Aerospace Loan Authority	\$94,000
	Total	\$94,001

State of Washington
Decision Package

Agency: 340 Washington Student Achievement Council

Decision Package Code/Title: CE – College Bound Caseload Estimates

Budget Period: 2015-17

Budget Level: M1 – Maintenance Level

Program: 030 – Student Financial Assistance

Agency Recommendation Summary Text

The 2015 Legislature appropriated \$61.67 million for College Bound Scholarship (CBS) awards for eligible students for the 2015-17 biennium based on February 2015 Caseload Forecast Council projections of new and continuing eligible postsecondary students enrolled by sector and award amounts. The November forecast projections of eligible enrollments, funding coordination assumptions with the State Need Grant, and data reported from institutions from fall 2015 will influence projections for FY 17. This decision package is a placeholder to refine the CBS funding needs for FY 17.

Fiscal Detail:

		FY 2016	FY 2017	Total
Operating Expenditures				
001-1 General Fund State			\$1	\$1
Total Cost			\$1	\$1
Staffing				
Total FTEs			0.0	0.0
Revenue Detail		<u>Fund Source</u>		
			\$0	\$0
Total Revenues			\$0	\$0

Note: Appropriations are made for College Bound Scholarship from the Education Legacy Trust Account (08A-1) in the enacted biennial budget. However, this decision package assumes the additional amount required will need to be appropriated from General Fund – State.

Description:

The 2007 Legislature established the College Bound Scholarship (CBS) program (Ch. 28B.118 RCW) to encourage low-income students to plan and prepare for postsecondary education and to remove financial barriers. Eligible students who fulfill the conditions of the program receive state assistance to cover the average tuition (at comparable public college rates), some fees, and a small book allowance when they enroll in college after completing high school. The Legislature assigned the CBS program to the Caseload Forecast Council (CFC) in 2011 to include in its forecasts for future budget projections.

To apply for the program, a student must be in the seventh or eighth grade and eligible for free or reduced price lunch. Each student is required to submit a completed application, which includes a signed pledge to graduate from high school with at least a 2.0 grade point average, stay felony-free, and apply for college admission and financial aid in a timely manner after graduation. In addition, all foster youth in grades 7-12, or up to age 21 if not graduated from high school, are automatically enrolled. CBS students' family income must fall within 65 percent of the state's median family income (MFI) at college enrollment, which is verified by the Free Application for Federal Student Aid (FAFSA) annually.

The CBS program is intended to work in tandem with the State Need Grant (SNG) program and other state aid. CBS funds cover the costs identified above which are not covered by other state aid. The 2015 operating budget directs WSAC to work with institutions to ensure CBS students receive SNG, with a goal of 100 percent funding coordination. WSAC staff have provided each institution with the projected amount of SNG that must be set aside for CBS students, have provided sector-specific trainings on the topic, and are monitoring institution data for coordination. In November 2015, WSAC will provide updated information regarding coordination levels by institution. The CFC will also have updated projected enrollments. As of the June forecast, the CFC projected 15,109 eligible students in 2015-16 and 15,690 in 2016-17.

For more information, please contact Rachelle Sharpe, Deputy Director, at 360.753.7872 or rachelles@wsac.wa.gov or Marc Webster, Senior Fiscal Analyst, at 360.753.7862 or marcw@wsac.wa.gov.

Narrative Justification and Impact Statement:

- **What specific performance outcomes does the agency expect?**

The state will keep its commitment to assist more than 15,000 low-income and underrepresented students in higher education to realize their dream of attaining a college degree or certificate. The program has provided promising early results. The first three cohorts of College Bound Scholars graduated from high school at about the statewide rate, well above the graduation rates of their peers who did not sign up for College Bound. For example, in 2014, CBS students had a graduation rate of 75 percent, while students in the cohort who did not sign up and were low-income in middle school had a graduation rate of 62 percent. In addition, 73 percent of 2013 eligible graduates enrolled directly in postsecondary education, and 56 percent of 2014-15 recipients enrolled at four-year institutions, indicating students' ability to meet admissions requirements and pursue baccalaureate degrees directly after high school.

- **Performance Measure Detail:**

N/A

- **Is this decision package essential to implement a strategy identified in the agency’s strategic plan?**

The Washington Student Achievement Council is required to propose goals, strategies, and resources to raise educational attainment in Washington. An important first step in raising postsecondary attainment is to enable more students to gain meaningful high school diplomas. College Bound Scholarship participation appears to have resulted in improved high school graduation rates. Increasing the percentage of students who sign up for the College Bound Scholarship is identified as a key indicator of improved student access under Results Washington (1.1.3.a), and providing the scholarship is a priority identified in the Council’s ten-year strategic Roadmap for increasing degree attainment in the state. Furthermore, the agency’s internal strategic plan includes an objective to advocate for legislation and resources that strengthen the educational system in Washington.

- **Reason for change:**

This budget request will fulfill the state’s commitment to students who have been promised tuition support if they prepare for higher education. Adjustments to the FY 17 appropriation would reflect Caseload enrollment forecasts and updated assumptions regarding coordination with SNG.

- **Does this decision package provide essential support to one or more of the Governor’s Results Washington priorities?**

The College Bound Scholarship plays a key role in improving student access and success, reflected in Goal 1 – World Class Education. Goal 1.1.3.a provides a leading indicator to increase the number of students who sign up for CBS and this decision package ensures sufficient financial aid funding will be available for eligible students upon college enrollment.

- **What are the important connections or impacts related to this proposal?**

CBS has created an opportunity for K-12, higher education, workforce, and college access professionals to collaborate and expand partnerships to inform eligible families about the scholarship. Higher education institutions have leveraged College Bound to conduct outreach to students from low-income families. College Bound leverages funding from State Need Grant, the state’s primary need-based financial aid program.

- **What alternatives were explored by the agency and why was this alternative chosen?**

The agency requested funds in prior budget years to invest in GET tuition units; however, the Legislature has been unable to make those investments due to budget constraints. The 2009-11 biennial budget included the following language related to suspension of prepayments to the program: “Similar prepayments will not be made in 2009-11. As guaranteed by RCW 28B.118, the state’s College Bound Scholarship commitment will be fulfilled and is not dependent upon, nor diminished by, this action.”

- **What are the consequences of adopting this package?**

The public tuition reductions implemented as part of the College Affordability Act, and priority for SNG funding directed in the 2015 operating budget, lower costs for College Bound. The Caseload Forecast Council was assigned to project College Bound Scholarship expenditures as a program with a state obligation to fund. If the obligations to eligible students were not fulfilled, it could result in legal action against the state.

- **Relationship to the state's capital budget:**

NONE

- **Revisions required in an existing statute, Washington Administrative Code (WAC), contract, or state plan:**

NONE

- **Expenditure and revenue calculations and assumptions:**

Revenues Calculations and Assumptions:

NONE

Expenditures Calculations and Assumptions:

The funding projections will be based on FY 17 awards with SNG coordination as reflected and adjusted from fall 2015 reports for the number of new and continuing students by sector projected from the November 2015 forecast.

Which costs and functions are one-time? Which are ongoing? What are the budget impacts in future biennia?

Scholarship funds will be needed in future biennia to fund payouts for continuing and new cohorts of students.

Object Detail:

	FY 2016	FY 2017	Total
Operating Expenditures			
A - Salaries			
B - Benefits			
C - Personal Service Contracts			
E - Goods and Services			
G - Travel			
J - Equipment (over \$5,000 per item)			
M - Transfers to trust funds			
N - Grants to students or others		\$1	\$1
Total Objects		\$1	\$1

State of Washington
Decision Package

Agency: 340 Washington Student Achievement Council

Decision Package Code/Title: AL –Aerospace Loan Authority

Budget Period: 2015-17
Budget Level: M2 – Maintenance Level

Program: 030 – Student Financial Assistance

Agency Recommendation Summary Text:

The Aerospace Training Student Loan Account statute (28B.122.050) permits administrative expenditures from the fund but requires an appropriation. This decision package requests expenditure authority for administrative expenses. This request aligns with the intent for the program to eventually be self-sustaining.

The Aerospace Loan Program (ALP) has grown over time. In 2016, Renton Technical College will be added to payments, and Everett Community College has been newly authorized to participate. With a growing program, improvements to the application process need to be made. Further, more resources need to be committed to borrowers once in repayment to ensure proactive default prevention activities.

Fiscal Detail

		FY 2016	FY 2017	Total
Operating Expenditures				
17R Aerospace Training Student Loan Account		\$0	\$94,000	\$94,000
Total Cost		\$0	\$94,000	\$94,000
Staffing				
17R – 6		0.0	0.7	0.4
Total FTEs		0.0	0.7	0.4
Revenue Detail		<u>Fund Source</u>		
17R Aerospace Training Student Loan Account		17R	04 44	\$0 \$94,000 \$94,000
Total Revenues		\$0	\$94,000	\$94,000

Description:

The Aerospace Training Student Loan Account statute (28B.122.050) permits administrative expenditures from the fund but requires an appropriation. WSAC requests expenditure authority for administrative expenses. This request aligns with the intent for the program to be self-sustaining.

The Aerospace Loan Program (ALP) provides low-interest loans to students who are enrolled in an authorized aerospace training or education program. To date, 374 students have received ALP funds, and 220 were in repayment as of June 30, 2015.

Beginning in 2011, ALP student payments were made to Edmonds Community College for students enrolled in authorized programs at Renton Technical College and the Washington Aerospace Training and Research (WATR) Center in Everett. Beginning in 2015-16, WSAC will now work directly with Renton Technical in addition to Edmonds Community College, increasing administrative workload. In addition, the 2015 Legislature expanded the program to Everett Community College.

There is also a growing need to provide proactive default prevention activities to borrowers, especially when we anticipate a gradual decline in aerospace employment over the next couple of years (Aerospace Training Student Loan Program, Report to the Legislature, December 2014, available at: <http://www.wsac.wa.gov/sites/default/files/2014.AerospaceReport.pdf>). As of November 2014, of the total number of students in repayment status (220 students), 19 percent (42 students) had defaulted on their loans. WSAC needs administrative resources to research early indicators of default and implement early interventions.

The requested appropriation authority would cover 0.7 FTE and collection costs.

For more information, please contact Becky Thompson, Director of Student Financial Assistance, at 360.753.7840 or beckyt@wsac.wa.gov.

Narrative Justification and Impact Statement:

- **What specific performance outcomes does the agency expect?**

This request will align expenditures with an appropriation as outlined in the statute (28B.122.050) and permit the program to begin to become self-sustaining.

- **Performance Measure Detail:**

N/A

- **Is this decision package essential to implement a strategy identified in the agency's strategic plan?**

The request supports the ten-year strategic Roadmap to increase educational attainment with the goals to make college affordable and align postsecondary programs with employment opportunities. This request also supports goal two of the agency's internal strategic plan—"Strive for exceptional work and continuous improvement"—by aligning practice to statute.

- **Reason for change:**

Administrative needs are growing in the Aerospace Loan program with schools being added to the program and more borrowers entering repayment. The loan account was designed to pay for administrative costs. This request aligns practice with intent and will permit the program to become self-sustaining.

- **Does this decision package provide essential support to one or more of the Governor’s Results Washington priorities?**

This request supports Goal 1: World-class education. The Aerospace Loan Program provides an education financing option to students who, due to program length, are unable to access federal and other state financial aid programs (e.g. State Need Grant). Without access to this unique financing option, many students would not have access to these programs.

- **What are the important connections or impacts related to this proposal?**

This proposal strengthens support to colleges participating in the programs and student borrowers while in school and repayment.

- **What alternatives were explored by the agency and why was this alternative chosen?**

The alternative is to request additional general fund–state appropriations for the growing demand for ALP administrative expenses. This alternative was chosen because it will allow the program to become partially self-sustaining and will not divert additional resources from the other critical work assigned to the agency.

- **What are the consequences of adopting this package?**

By adopting this package, needed additional administrative support can be given to the Aerospace Loan Program, and the program will become partially self-sustaining.

- **Relationship to the state's capital budget:**

None.

- **Revisions required in an existing statute, Washington Administrative Code (WAC), contract, or state plan:**

None.

- **Expenditure and revenue calculations and assumptions:**

- Revenues Calculations and Assumptions:

Revenues would come from loan repayments and interest.

- Expenditures Calculations and Assumptions:

Expenditures include 0.7 FTE and associated staff costs for a Program Manager for administrative work and collection costs.

- **Which costs and functions are one-time? Which are ongoing? What are the budget impacts in future biennia?**

All costs shown are ongoing.

Object Detail:

	FY 2016	FY 2017	Total
Operating Expenditures			
A - Salaries	\$0	\$47,000	\$47,000
B - Benefits	\$0	\$20,000	\$20,000
C - Personal Service Contracts			
E - Goods and Services	\$0	\$26,000	\$26,000
G - Travel	\$0	\$1,000	\$1,000
J - Equipment (over \$5,000 per item)			
M - Transfers to trust funds			
N - Grants to students or others			
Total Objects	\$0	\$94,000	\$94,000

Decision Package Summary - Performance Level

Decision Package Code	Decision Package Title	Total Proposed Dollars
N5	State Need Grant Awards	\$19,000,000
N6	College Bound Scholarship Infrastructure	\$531,000
N7	Governor's STEM Alliance Facilitation	\$155,000
N8	Consumer Protection	\$223,000
	Total	\$19,909,000

State of Washington
Decision Package

Agency: 340 Washington Student Achievement Council

Decision Package Code/Title: N5 – State Need Grant Awards

Budget Period: 2015-17

Budget Level: PL –Performance Level

Program: 030 –Student Financial Assistance.

Agency Recommendation Summary Text:

The State Need Grant, serving students for 45 years, is the core of the state’s effort to broaden participation and attainment in postsecondary education. Since 2007, the state has committed to students from families below the 70th percentile of the state’s median family income. But the number of eligible students has long outpaced the funding for the program. Lower tuition is a tremendous step toward a more affordable system overall, and has reduced the cost of serving currently unserved students. Now the state needs to recognize the surge of eligible students and ensure cost is not a barrier to attainment.

Fiscal Detail:

		FY 2016	FY 2017	Total
Operating Expenditures				
001-1 General Fund - State		\$0	\$19,000,000	\$19,000,000
Total Cost		\$0	\$19,000,000	\$19,000,000
Staffing				
Total FTEs			0.0	0.0
Revenue Detail	<u>Fund Source</u>			
			\$0	\$0
Total Revenues		\$	\$0	\$0

Description:

The State Need Grant (SNG) is the foundation of the state's effort to improve affordability for low-income students, but to provide equity for these students and families, the state must fund its stated policy. By increasing funding for the State Need Grant program, Washington can make it easier for 4,500 additional low-income and first-generation students to enroll in programs of their choice.

Research has shown that students who receive grants are more likely to earn a credential than otherwise-similar students. Grant aid allows students to focus on their studies, rather than attending only one or two courses and working too many hours.

Two factors make this a good year to begin the process of fully funding SNG. First, the passage of the College Affordability Act reduced the cost of grant awards by over 15 percent, as the awards are tied to tuition rates. Second, there is another year of data showing that the unserved population was not a temporary phenomenon tied to extraordinary enrollment growth in the system during the great recession. Demographic changes—and a lot of work throughout the K-12 and higher education systems—have led to more low-income students enrolling in postsecondary education and training. To help these students persist and graduate, we need to bring consistency and clarity to state aid and provide them with an equitable opportunity.

It can no longer be assumed that the unserved population is a temporary product of the great recession. In 2009-10, the first year of significant growth in eligible students, about a quarter, or nearly 22,000 students, were not served by State Need Grant. This trend continued through 2014-15—even after the economy has improved and overall enrollments have declined in the two-year colleges—with 27,000 students left unfunded, leading them to make difficult choices about whether, where, and for how long to attend postsecondary education.

Unserved students in the public four-year sector attend part-time at twice the rate of served students, a factor that decreases their chance of graduating. These students take out roughly \$1,000 more in loan debt *per term*. The effect is smaller, but still noteworthy, for students in the two-year sector. Some institutions attempt to provide funding to “backfill” SNG where possible, but institutional funds are not always able to make up the shortfall. Students then face a sharp increase in work or borrowing, and attend fewer terms and take fewer classes.

This package funds 1/6th of the cost of fully funding SNG at \$19 million, and would provide grants for 4,500 students who are currently unserved by state aid.

For more information, contact Rachelle Sharpe, Deputy Director, at 360.753.7872 or rachelles@wsac.wa.gov, or Marc Webster, Senior Fiscal Policy Advisor, at marcw@wsac.wa.gov or 360.753.7862.

Narrative Justification and Impact Statement:

- **What specific performance outcomes does the agency expect?**

When SNG is fully funded, we should see lower debt levels and higher graduation rates across the system. Students without SNG funding often attend part-time, which is negatively correlated with success. Fully funding the program can therefore help more qualified students attain a certificate or degree.

The Washington Institute for Public Policy found that receipt of SNG was associated with higher retention and completion rates for students with the lowest family incomes. In addition, WSAC conducted a survey of SNG-eligible students who were unserved but had received the grant in a previous year. Students had to make adjustments to their educational plans and lifestyle to overcome the loss of SNG, including increased borrowing, working more hours, enrolling in fewer classes, taking additional jobs, and significant changes to their living situation that were less conducive to academic success.

With stable and predictable funding, students can understand what costs the state can help defray. To meet the state's attainment goals, it is imperative to provide an equitable opportunity for all low-income students to enter education and training programs, and to be helped to succeed once enrolled. This package supports both objectives.

- **Performance Measure Detail**

N/A

- **Is this decision package essential to implement a strategy identified in the agency's strategic plan?**

Full funding for the State Need Grant is a key strategy in the 2013 Roadmap, and was the Council's highest priority in the Strategic Action Plan.

- **Reason for change:**

- **Does this decision package provide essential support to one or more of the Governor's Results Washington priorities?**

This request helps the state reach goals 1.2.h, increase high school graduates who are enrolled in postsecondary education or employed, and 1.3, increase annual attainment of postsecondary credentials. When the state "levels the playing field" for low-income students, enrollments should rise. When aid is consistently disbursed, and students don't have to scramble to backfill a term without a grant, research shows they are more likely to persist and complete their program. It is critical that our overall access strategy is fully funded prior to expanding targeted merit scholarship programs. SNG is available to students enrolling in any program among 68 institutions—from HVAC technician to pre-medicine.

- **What are the important connections or impacts related to this proposal?**

The State Need Grant serves as the funding base of the College Bound Scholarship, so fully funding SNG ensures that CBS costs are predictable and stable. Moreover, funding SNG allows non-CBS students to receive assistance, which is critical for returning adults who need to retrain or take advantage of short-term vocational training courses.

- **What alternatives were explored by the agency and why was this alternative chosen?**

Washington's primary financial aid programs are need-based, rather than targeted merit or workforce-related programs. However, SNG serves students in highly competitive academic programs as well as professional technical programs. Fully funding SNG drives attainment and allows SNG to function as the broad access program that more targeted programs can build from.

The state could reform SNG policy and target funding to sub-groups of students, essentially changing policy to match available funding. While this would help with consistency in the short term, the state has repeatedly reaffirmed its commitment to current eligibility limits, even when keeping pace with tuition increases was costly. Further, reaching into the lower-middle class by maintaining eligibility at 70 percent MFI is critical to help working adults increase their education and skills. Fully funding SNG balances consistency with access. Over 62 percent of SNG students are enrolled in the two-year sector, and 46 percent are older than 24 years of age.

The state could also reduce grant amounts, essentially giving more students smaller awards. This approach would ensure more students get some amount of aid. Without reliable funding, though, the purchasing power of the grant would fluctuate, so a student would not know what they could expect the following year. Further, researchers at the Washington State Institute for Public Policy found a clear, statistically significant correlation between grant award amounts and persistence and graduation rate: lowering awards produced worse outcomes.¹

- **What are the consequences of adopting this package?**

When the state fully funds the State Need Grant, students and families are treated equitably, have more clarity about college costs, and have their costs reduced, and are therefore more likely to persist and graduate. Access is broadened, as aid allows students to enroll at any of 68 colleges in a wide array of programs. As unserved students take out more loan debt, we would see average debt burden at graduation decrease as well.

- **Relationship to the state's capital budget:**

None.

- **Revisions required in an existing statute, Washington Administrative Code (WAC), contract, or state plan:**

None.

¹ Bania et al., *The Effectiveness of Washington's State Need Grant Program: Final Evaluation Report*, (2014, January) Retrieved from http://www.wsipp.wa.gov/ReportFile/1545/Wsipp_The-Effectiveness-of-Washingtons-State-Need-Grant-Program-Final-Evaluation-Report_Final-Report.pdf

- **Expenditure and revenue calculations and assumptions:**

Revenues Calculations and Assumptions:

None.

Expenditures Calculations and Assumptions:

We have reduced average grant awards used in FY 2015 per the College Affordability Act and applied them to FY 2015 enrollment data. In future years, WSAC will continue to monitor enrollment and tuition levels and update cost estimates for fully funding SNG.

The total cost to fully fund the unserved is \$114 million, with 27,193 students unserved. This package would fund 4,500 grants of about \$4,200 per student.

This request of \$19 million represents 1/6 of the cost of fully funding SNG after the second tuition reduction, as specified in the College Affordability Act and the enacted 2015-17 appropriations act. In addition, as 2014-15 student award information was used to make cost projections, the 100 percent coordination with the College Bound Scholarship was reflected.

- **Which costs and functions are one-time? Which are ongoing? What are the budget impacts in future biennia?**

This increase in grant awards is ongoing and would require further investments to fully fund the program.

Object Detail:

	FY 2016	FY 2017	Total
Operating Expenditures			
A – Salaries	\$0	\$0	\$0
B – Benefits	\$0	\$0	\$0
C - Personal Service Contracts	\$0	\$0	\$0
E - Goods and Services	\$0	\$0	\$0
G – Travel	\$0	\$0	\$0
J - Equipment (over \$5,000 per item)	\$0	\$0	\$0
M - Transfers to trust funds	\$0	\$0	\$0
N - Grants to students or others	\$0	\$19,000,000	\$19,000,000
Total Objects	\$0	\$19,000,000	\$19,000,000

State of Washington
Decision Package

Agency: 340 Washington Student Achievement Council

Decision Package Code/Title: N6 – College Bound Infrastructure

Budget Period: 2015-17

Budget Level: PL– Performance Level

Program: 030– Student Financial Assistance

Agency Recommendation Summary Text:

As the program administrator for the College Bound Scholarship, the Washington Student Achievement Council (WSAC) has broad responsibilities from program promotion, application management, student and family communication, partnership training, data sharing, evaluation, and scholarship payments. The program has grown since its inception and the demands for additional duties from WSAC have also expanded. This request will provide resources to WSAC to expand student, family, school, and partner communications; streamline the application system; enhance data transfer activities; improve student eligibility monitoring; and fulfill recent legislative requirements.

Fiscal Detail:

		FY 2016	FY 2017	Total
Operating Expenditures				
001-1 – General Fund State				
	Total Cost	\$0	\$531,000	\$531,000
Staffing				
	Total FTEs		4.0	2.0
Revenue Detail				
	Fund Source			
	Total Revenues	\$0	\$0	\$0
	Total Revenues	\$0	\$0	\$0

Description:

The College Bound Scholarship (CBS) program provides an early commitment of financial aid to students from low-income families. The Washington Student Achievement Council (WSAC) is statutorily required (28B.118 RCW) as the program administrator to:

- Design and promote the program
- Process applications
- Develop and manage the application system
- Monitor and verify eligibility
- Develop and provide training
- Communicate with students, families, schools, and partners
- Provide data and research for partners and policymakers
- Collect data and provide data transfer
- Respond to both federal and state policy changes
- Manage scholarship payments
- Perform fund management

WSAC works directly with many partners, including school counselors and administrators, school districts, the Office of Superintendent of Public Instruction, the Department of Social and Health Services, the College Success Foundation, and other nonprofit organizations. The program has grown by over 205,000 participants since its first year, and additional requirements were added through SB 5851 in 2015. WSAC requires resources to meet legislative program requirements; to meet the demands of program enrollees; to communicate through multiple formats to students and families through middle and high school; to improve eligibility monitoring, including several recent additional requirements; and to improve tools for schools to access data and responsiveness to data requests.

Since the inception of College Bound, the numbers of students who signed up for the program each year has more than doubled, from 15,000 in 2008 to 32,000 in 2015. The total number of students in College Bound has increased 15-fold in nine years, from 15,000 in 2008 to more than 220,000 today. The sheer increase in numbers combines with new requirements and expectations of WSAC to not only manage the application and scholarship systems, but to expand student/family communications and tools for schools and partners, and to develop data-sharing and analytical tools.

WSAC is unable to continue to redirect stretched existing resources to cope with the dramatic increase of CBS students; to respond to continued demands from the Legislature, partners, and school districts for more services and accurate, timely and high-quality data; and to ensure that the program functions as well as possible. Compounding the growing demands from within the program and its supporters, is the increasing demand for data, communication and changes in policies that are beyond the agency's control, such as the recent U.S. Department of Agriculture's community compatibility policy and the U.S Department of Homeland Security's change in interpreting Deferred Action for Childhood Arrivals.

In order to support the continuously growing workload and ensure that program requirements are followed, and that accurate and timely information is distributed effectively to students, their families, school districts, college access partners and others, the agency requests funding to hire: 2.0 FTEs for program staff to meet the increasing demand of the program administration and coordination, 1.0 FTE for research and data compilation, and 1.0 FTE for communication development and implementation.

Narrative Justification and Impact Statement:

Increasing educational attainment among Washingtonians is the primary goal of the Council. CBS has proven to be a pivotal program in increasing the awareness of the importance of pursuing postsecondary opportunities among low-income students. For the 8th grade class of 2015, 91 percent of eligible students applied for the scholarship. Statewide, College Bound students are graduating at rates over 15 percentage points higher than their peers from low-income families who did not enroll. The program has been an impetus for schools to develop a college-going culture among teachers, administrators, and the community.

With the 15-fold increase in the number of CBS students who have applied, WSAC is in need of resources to process necessary paperwork before deadlines, communicate with the student population during grades 7 through 12, enhance data matches and respond with accurate data to requests, provide training to school staff and partners, monitor student eligibility, and steward program funds. Strengthening these core functions helps everyone working with College Bound students, magnifying the impact of the investment.

This request will ensure the investments the state has made since 2007 will yield desired outcomes. The funding will ensure that CBS will:

- Continue to sign up eligible students in 7th and 8th grade and improve the application system.
- Provide timely information to all students, including 10th graders as required.
- Coordinate work between OSPI and WSAC to provide PSAT tests to College Bound 9th and 10th graders, a new request from SB 6052.
- Provide timely data and research to the Legislature and researchers.
- Provide grade-level guidance, checklist, and information to all CBS students as required.
- Verify students do not have felony convictions as required.
- Provide individual student-level data through the FAFSA completion portal to all high schools to increase the number of CBS students completing FAFSA/WASFA as requested by law.
- Manage the *12th Year Campaign* to coordinate statewide events to increase college admissions and financial aid applications among College Bound students.
- Provide timely communications to students and their families as they transition to postsecondary education.

Performance Measure Detail:

- **Is this decision package essential to implement a strategy identified in the agency's strategic plan?**

This request aligns with the goals and strategies in our state's ten-year educational attainment strategic plan, the Roadmap, to increase high school completion and postsecondary attainment. Administering College Bound well supports two specific action items: *Ensure cost is not a barrier for low-income students* and *ensure high school graduates are career and college ready*.

This budget request is an integral component of our agency's strategic plan. Enhancing College Bound administration is in direct support of the agency's first goal: To serve as a collaborative, educational advocate. This goal coincides directly with our statutory responsibility to support increased student success, promote opportunities for increased educational attainment, and advocate for the economic, social, and civic benefits of higher education.

- **Reason for change:**

The sheer increase in the number of CBS students poses a challenge for existing staff to complete all the work needed and expected by the Legislature and the public. Without resources to support the workload increases, these tasks will not likely be completed:

Application Process

WSAC has developed an online application process through which about 75 percent of applications are submitted. Every application must be complete and signed by the student and parent or guardian as required by the statute. Multiple attempts are made to ensure every student has the opportunity to complete their application.

Additional work is needed to develop strategies to increase applications submitted via the web, develop streamlined methods to process paper applications and signature pages, and manage incomplete applications.

Data and Research

WSAC and OSPI exchange data in a secure environment to monitor applicants' grade level, school, GPA, and graduation. All foster youth are automatically enrolled through an automated exchange with DSHS. All CBS data has been provided to the Education Research and Data Center. WSAC participates in the Caseload Forecast Council technical work group providing data and program expertise and provides data and information to legislative fiscal staff for forecasting cost.

In addition, there are weekly data requests by schools, partners, and researchers desiring CBS data for enhancing service delivery to students and evaluating the program, as well as ad hoc requests by school administrators, policymakers, and nonprofit organizations.

SB 5851 requires identification of students with felonies. A per-record charge with the Washington State Patrol of \$12 will cost \$120,000 annually. Records will need to be coded as ineligible and students will need to be notified. There is also a requirement to recalculate grade point averages for students who participated in Running Start for at least one quarter. In addition to filtering to identify affected students, staff will need to recode records, inform institutions, and notify students.

Communication

WSAC has developed listservs for each grade level in high school and updates the student application during the student's senior year. Information is provided to students in the senior year regarding FAFSA completion, how to access the scholarship, and confirming high school graduation and grade point average requirements.

However, students and families need more frequent and robust information throughout middle and high school using multiple methods. SB 5851 requires WSAC to provide sophomores with information regarding income requirements for the scholarship, and to develop comprehensive social media outreach with grade-level specific information.

While there is automated enrollment of foster youth, student contact information is not included. State agencies and youth-serving organizations need to ensure students are receiving communication and support, are aware they are eligible for financial aid, and know the steps needed to plan and prepare for postsecondary education. SB 5851 also requires WSAC to work with the College Success Foundation to map support services students receive. Assessing and evaluating successful practices should be an ongoing activity for the program.

Training

WSAC provides webinars, PowerPoint presentations, and listservs to school counselors and nonprofit partners with information on scholarships and accessing the secure portal. The College Success Foundation is a primary statewide partner that uses WSAC tools to train and support schools and districts in developing sustainable sign-up and support practices for CBS students.

Schools and partners have requested WSAC improve the high school portal to ensure school staff can identify and monitor College Bound students, and to develop new strategies to ensure school staff, college access programs, and community organizations that may be "trusted messengers" for families, have frequent, up-to-date information about College Bound eligibility, as well as other information students need to plan, prepare, and pay for postsecondary education. The recent memo from the attorney general's office regarding eligibility for students approved through Deferred Action for Early Childhood Arrival (DACA) is one example of the complexities around accessing financial aid. Students need to understand financial aid filing, award letters, and steps to take to ensure full funding based on their eligibility. Steps WSAC takes to improve financial aid awareness for College Bound students will benefit all students.

Payments and Fund Management

College Bound now has four cohorts enrolled in postsecondary education. WSAC has integrated the program into its secure web-based payment system. The recent requirement that all College Bound students receive State Need Grant has required training of 68 institutions and monitoring of student award reporting to intervene as needed.

A separate budget request addresses the need to provide additional compliance oversight and technical assistance to 68 institutions.

- **Does this decision package provide essential support to one or more of the Governor’s Results Washington priorities?**

This request directly aligns with the following *Results Washington* metrics:

- 1.1.2.h Increase postsecondary enrollment and employability.
- 1.1.3 Increase attainment.
- 1.1.3.a Increase CBS applications.
- 1.2 Increase the percentage of students who graduate high school.

College Bound has been referred to as a “game changer” for the state to reach these critical goals and ensure we indeed become world-class in our educational system.

- **What are the important connections or impacts related to this proposal?**

WSAC is the “hub” of high school to college connections through the College Bound Scholarship program, from students signing up in early grades, to getting college and career ready in their high school years; from graduating from high school and enrolling in postsecondary institutions, to receiving scholarships in college. Required tasks include not only the administrative work of processing the applications for sign-ups and scholarship distributions, but also the development of information content and strategies. In addition, the agency is responsible for developing rules and regulations of the program, distributing information to parties that range from state agencies to non-state stakeholders, and providing direct guidance and support to counselors, students and their families, and institutions. WSAC is also required to ensure timely and accurate data exchanges with other agencies and researchers. The program must meet statutory requirements as well as the expectations of stakeholders, partners, schools, and students.

- **What alternatives were explored by the agency and why was this alternative chosen?**

The agency has explored grant funds and will continue to do so, but the importance of the work and growing demands of our state programs, such as CBS, necessitate sustained state support.

WSAC has also used its limited resources to develop a secure data portal and middle school tool to increase efficiency of sign-ups. Given the exponential growth of the number of CBS students and families, and the workload associated with the program, the agency will no longer be able to cope with the increasing demands to address the needs of students who are in the program beyond the initial sign-up phase. Not only does the agency meet the needs of students, families, counselors, schools, and financial aid offices, but the program has new statutory requirements to meet, such as conducting felony checks to ensure scholarship eligibility.

- **What are the consequences of adopting this package?**

The agency’s College Bound team has four full-time staff who handle the majority of the tasks prior to scholarship payment. Average workload has grown from approximately 8,000 students per staff in 2008 to 55,000 students per staff in 2015.

The agency has absorbed the increased workload either by not fully meeting the demands of the program or by reduced responsiveness to other agencies and stakeholders.

- **Relationship to the state's capital budget:**

None.

- **Revisions required in an existing statute, Washington Administrative Code (WAC), contract, or state plan:**

None.

- **Expenditure and revenue calculations and assumptions:**

Revenues Calculations and Assumptions:

None.

Expenditures Calculations and Assumptions:

This request includes the following staff to fulfill comprehensive program administration for College Bound:

- Program Coordinator 1.0 FTE
 - Increase web-based applications.
 - Develop streamlined methods to process paper applications and signature pages.
 - Assist with student, family, and school inquiries.
- Program Associate 1.0 FTE
 - Improve tools for schools to identify and monitor College Bound students.
 - Develop strategies to ensure school staff, college access programs, and community organizations that may be “trusted messengers” for families, have frequent, up-to-date information.
- Research Analyst 1.0 FTE
 - Respond to data requests by schools, partners, researchers, and policymakers.
 - Manage data match to identify felony convictions.
 - Monitor eligibility criteria including GPA for Running Start students.
 - Assess and evaluate successful practices and program outcomes.
- Communications Associate 1.0 FTE
 - Develop frequent and robust information throughout middle and high school using multiple methods.
 - Ensure sophomores receive information regarding income requirements at college enrollment.
 - Develop comprehensive social media outreach with grade-level specific information.
 - Ensure foster youth receive communication and support from youth-serving organizations.

In addition, the agency will undertake work with the Washington State Patrol to fulfill the requirements in SB 5851 to identify students with felonies beyond the current practice of self-identification. A personal services contract with the Washington State Patrol will cost \$120,000 annually for the per-record charge of \$12. (See Object C.)

Which costs and functions are one-time? Which are ongoing? What are the budget impacts in future biennia?

Staffing costs are ongoing.

Object Detail:

	FY 2016	FY 2017	Total
Operating Expenditures			
A - Salaries		\$219,000	\$219,000
B - Benefits		\$83,000	\$83,000
C - Personal Service Contracts		\$120,000	\$120,000
E - Goods and Services		\$106,000	\$106,000
G - Travel		\$3,000	\$3,000
J - Equipment (over \$5,000 per item)			
M - Transfers to trust funds			
N - Grants to students or others			
Total Objects	\$	\$531,000	\$531,000

State of Washington
Decision Package

Agency: 340 Washington Student Achievement Council

Decision Package Code/Title: N7 – Governor’s STEM Alliance Facilitation

Budget Period: 2015-17

Budget Level: PL– Performance Level

Program: 010– Policy and Coordination

Agency Recommendation Summary Text:

In 2013, the Legislature passed ESSHB 1872, creating the Governor’s STEM Education Innovation Alliance to increase awareness and expand opportunities in STEM education and provide annual reports on progress. This initiative was initially unfunded. However, WSAC won a National Governors Association grant on behalf of the Governor to support this work. With grant funding, WSAC staff supported the Alliance’s work to advance STEM education. The grant runs out in June 2016. This supplemental request provides \$155,000 in annual funding to continue this work, leading STEM Alliance activities and the preparation of annual report cards on STEM education progress.

Fiscal Detail:

		FY 2016	FY 2017	Total
Operating Expenditures				
001-1 General Fund - State				
	Total Cost	\$0	\$155,000	\$155,000
		\$0	\$155,000	\$155,000
Staffing				
001-1 General Fund – State				
	Total FTEs	0.0	1.0	.5
		0.0	1.0	.5
Revenue Detail				
None				
	Total Revenues	\$0	\$0	\$0
		\$0	\$0	\$0

Description:

Background: The Governor's STEM Education Innovation Alliance (STEM Alliance) has made progress in increasing awareness of and opportunities in STEM education, which is vital to meet the needs of Washington's technology-driven economy. With the passage of ESSHB 1872 in 2013, the STEM Alliance was created in statute; however, no funding for its operation was provided.

An opportunity to activate this work arose in the summer of 2014, when the Washington Student Achievement Council (WSAC) submitted a grant proposal to the National Governors Association (NGA) on behalf of the Governor's Office. The NGA awarded Washington one of only eight state-level grants in August 2014, out of a competitive field of applicants, to assist states in strengthening the alignment of their education and workforce-training systems with the needs of the economy. Washington's application focused on STEM education and advancing the work of the Governor's STEM Alliance. With this two-year grant of \$170,000, and additional in-kind support from WSAC, Washington STEM, and the Office of Financial Management, the STEM Alliance became operational. Governor Inslee appointed members of the STEM Alliance in August 2014. WSAC Executive Director Gene Sharratt led an operational team with key staff members from WSAC and ERDC and partners at Washington STEM. In addition, the work has included regular participation from K-12 and postsecondary education stakeholders, WSAC Council members, Governor's staff, and legislators.

The Alliance has made substantial advances in developing priorities and strategies, and adopting a framework for gauging progress. The work of the STEM Alliance has developed important momentum, with excellent prospects for continuing a sustained positive impact on the state's efforts to align STEM education with the needs of our dynamic technology-based economy. See Attachment A, which outlines performance indicators and draft strategies of the STEM Alliance.

Challenge: Aligning STEM education with the workforce needs of Washington's technology-based economy is a high priority for the Governor's Office and the Legislature. Taking full advantage of the impetus that has been generated behind this effort so far—building on productive discussions and planning focused on priorities, strategies, and progress metrics going forward—is critical to future progress in this area. For this work to continue, and for the STEM Alliance to remain an effective vehicle for making progress in STEM education and workforce alignment, it is necessary that consistent and reliable funding be available to support WSAC's role in coordinating and facilitating this work.

The NGA grant funds will run out in June 2016. To this point, WSAC and its partners have already extended a considerable amount of in-kind staff time (at a cost of approximately \$94,000 for FY 15, and projected at approximately \$146,000 for the entire two-year grant period). However, this has required that staff redirect time and energy from other pressing work such as the state and regional needs assessment, which is not sustainable in the long term. Supplemental funds would enable WSAC to continue providing leadership, meeting facilitation, and policy support to maintain the crucial momentum that has been generated for the work of the STEM Alliance.

Supplemental annual funding of \$155,000 will allow the WSAC team to provide necessary guidance for the work of the STEM Alliance. The funds will support:

- 1) **Salary, Benefits, and Expenses** for a policy associate (1.0 FTE, \$115,000). The responsibilities of this position include:
 - Managing STEM Alliance activities.
 - Facilitating meetings.
 - Coordinating work associated with the development of a dashboard, in collaboration with Washington STEM, to track progress in aligning the state's STEM education system with employer workforce needs.
 - Organizing outreach activities to foster robust and sustainable industry-education partnerships dedicated to advancing STEM education.

- 2) **Service Contract Expenses** for collaborative work with Washington STEM, a nonprofit organization focused on advancing STEM education in the state, which will continue to develop and refine a STEM data dashboard and foster the creation of robust and sustainable industry-education partnerships (\$40,000).

Narrative Justification and Impact Statement:

• What specific performance outcomes does the agency expect?

The primary performance outcome expectations are for the STEM Alliance, with continued WSAC leadership and guidance, to increase awareness and expand capacity and opportunities in STEM education. As the STEM Alliance's work continues to expand and grow, we would anticipate:

- Effective high-profile advocacy of STEM education in Washington.
- Robust and sustainable industry-education partnerships dedicated to strengthening STEM education and its alignment with employer needs.
- Increased completions in STEM degree and STEM-related certificate programs.
- Closure of gaps between rates of STEM degree/certificate completions and employer workforce needs based on projected annual job openings.
- Sustained growth in STEM-based economic development and vitality in the state.
- Consistent monitoring of refined metrics to monitor progress in this area.

The necessary coordination and facilitation of the STEM Alliance's work has only been made possible since August 2014, by funding acquired through an NGA grant and in-kind contributions from WSAC and partners.

Without this appropriation, WSAC does not have the capacity to continue coordinating and facilitating the work of the STEM Alliance once the NGA grant ends. With this funding, WSAC will continue to lead and facilitate STEM Alliance activity, which has been making great progress so far in advancing priorities and strategies to improve STEM education in Washington, establishing progress metrics, and developing a STEM dashboard. On the basis of the accomplishments achieved to this point and those planned through next summer using the remainder of the grant funds, the STEM Alliance is well-positioned to have a strong impact going forward.

- **Performance Measure Detail:**

- Increased completions in STEM degree and STEM-related certificate programs.
- Closure of gaps between rates of STEM degree/certificate completions and employer workforce needs based on projected annual job openings.
- Sustained growth in STEM-based economic development and vitality in the state.

- **Is this decision package essential to implement a strategy identified in the agency’s strategic plan?**

One of the key strategies outlined in the Roadmap is to align postsecondary programs with employment opportunities. With Washington’s dynamic technology-based economy, this places a primary focus on STEM education and its essential connection with employer needs.

- **Reason for change:**

WSAC does not have the capacity to continue coordinating and facilitating the work of the STEM Alliance after the NGA grant ends. Progress made by the STEM Alliance will be stalled or lost entirely.

Anticipated changes in performance as a result of continued STEM Alliance activity, with WSAC-led facilitation, include:

- Effective high-profile advocacy of STEM education in Washington. The STEM Alliance has supported legislative initiatives that have provided new resources to expand STEM programs in K-12 and postsecondary education, such as computer science initiatives and appropriations during the 2015 Legislative Session.
- Robust and sustainable industry-education partnerships dedicated to strengthening STEM education and its alignment with employer needs.
- Increased completions in STEM degree and STEM-related certificate programs.
- Closing of gaps between rates of STEM degree/certificate completions and employer workforce needs based on projected annual job openings.
- Sustained growth in STEM-based economic development and vitality in the state.
- Consistent monitoring of refined metrics to monitor progress in this area.

- **Does this decision package provide essential support to one or more of the Governor’s Results Washington priorities?**

Results Washington Goal 1 is World Class Education. This goal calls for providing every Washingtonian a world-class education in preparation for success in a job or career. In Washington this includes a focus on STEM, as a reflection of the distinctive technology-based nature of the economy. The attainment goals in the 2013 Roadmap—for every Washingtonian age 25-44 to have a high school diploma or equivalent, and 70 percent to have a postsecondary degree or credential by 2023—provide an overarching framework for more targeted goals and strategies in specific areas. The *Results Washington* goals related to STEM education call for:

- Increasing project-based, career, workplace, community learning opportunities that provide STEM and 21st century skills with career and technical education (CTE) from 65 percent to 70 percent by 2016.
- Increasing the number of graduates in STEM (academic transfer and professional-technical programs) in public community and technical colleges from 14,526 in 2012-13 to 14,817 in 2016-17.
- Increasing the number of students enrolled in STEM and identified high-demand employment programs in public four-year colleges and universities from 31,282 to 32,642 by 2016-17.

● **What are the important connections or impacts related to this proposal?**

Key stakeholders in STEM education in Washington are the large and growing number of dynamic technology-based employers. They have a vested interest in a healthy STEM education system, without which they would find it difficult to thrive. Many of their leaders have shown an intense interest in STEM, which is reflected in some of the members of the STEM Alliance from the technology business sector, and through their participation in the regional STEM networks and the statewide Washington STEM Summits held each December.

● **What alternatives were explored by the agency and why was this alternative chosen?**

Without this appropriation, WSAC does not have the capacity to continue coordinating and facilitating the work of the STEM Alliance after the NGA grant ends. This grant funding will end in June 2016. NGA does not have any plans to extend this grant program, so relying on the continuation of that funding is not a viable alternative.

● **What are the consequences of adopting this package?**

Funding this request will allow WSAC to continue providing leadership, meeting facilitation, and overall guidance to maintain the crucial momentum that has been generated for the work of the STEM Alliance. For this work to continue, and for the STEM Alliance to remain an effective vehicle for progress in STEM education and workforce alignment, it is necessary that consistent and reliable funding be provided to support WSAC’s role in coordinating and facilitating this work.

● **Relationship to the state's capital budget:**

None.

● **Revisions required in an existing statute, Washington Administrative Code (WAC), contract, or state plan:**

None.

● **Expenditure and revenue calculations and assumptions:**

Revenues Calculations and Assumptions:

None.

Expenditures Calculations and Assumptions:

Supplemental annual funding of \$155,000 will allow WSAC to provide necessary guidance for the work of the STEM Alliance. The funds will support:

- 3) **Salary, Benefits, and Expenses** for a policy associate (1.0 FTE, \$115,000). The responsibilities of this position would include:
 - o Managing STEM Alliance activities.
 - o Facilitating meetings.
 - o Coordinating work associated with the development of a dashboard, in collaboration with Washington STEM, to track progress in aligning the state’s STEM education system with employer workforce needs.
 - o Organizing outreach activities to foster robust and sustainable industry-education partnerships dedicated to advancing STEM education.
- 4) **Service Contract Expenses** for collaborative work with Washington STEM, a nonprofit organization focused on advancing STEM education in the state, which will continue to develop and refine a STEM data dashboard and foster the creation of robust and sustainable industry-education partnerships (\$40,000).

Which costs and functions are one-time? Which are ongoing? What are the budget impacts in future biennia?

All costs are ongoing. To continue WSAC leadership and facilitation of STEM Alliance activities, the agency will need sustained funding for this work each biennium.

Object Detail:

	FY 2016	FY 2017	Total
Operating Expenditures			
A - Salaries	\$0	\$64,000	\$64,000
B - Benefits	\$0	\$23,000	\$23,000
C - Personal Service Contracts	\$0	\$40,000	\$40,000
E - Goods and Services	\$0	\$27,000	\$27,000
G - Travel	\$0	\$1,000	\$1,000
J - Equipment (over \$5,000 per item)	\$0	\$0	\$0
M - Transfers to trust funds	\$0	\$0	\$0
N - Grants to students or others	\$0	\$0	\$0
Total Objects	\$0	\$155,000	\$155,000

WASHINGTON STEM FRAMEWORK FOR ACTION AND ACCOUNTABILITY SUMMARY



WASHINGTON STEM FRAMEWORK FOR ACTION AND ACCOUNTABILITY

AT A GLANCE

The Washington STEM Framework for Action and Accountability is a research-based tool developed to spur greater coordination, smarter investments, and clear results.

VISION

All Washingtonians have the STEM skills necessary to live a life of opportunity and success in the state's thriving innovation economy and democratic society.

GOALS

Washington state leads the nation with:

- STEM literacy for all
- A diverse, world-class workforce

IMPACT

A strong and vibrant Washington state economy that offers ample opportunity for all.

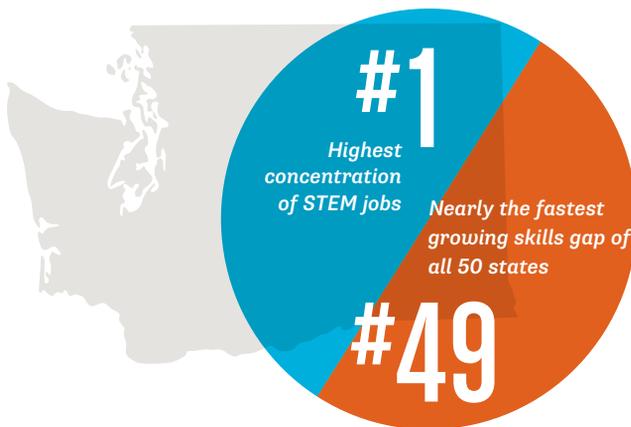


WASHINGTON'S STEM IMPERATIVE

Increasing science, technology, engineering, and math (STEM) talent in Washington communities is imperative to fill jobs, grow the economy, and close opportunity gaps for the next generation—and we don't have a moment to lose. The Washington STEM Framework for Action and Accountability is a research-based tool developed to spur greater coordination, smarter investments, and clear results.

Washington's communities are home to global STEM industry leaders and innovators. Washington-based companies in fields such as aerospace, clean energy, high-tech, health sciences, and advanced manufacturing are changing lives here at home and across the world. The state's ability to attract, develop, and retain STEM talent is vital for fostering opportunity for every Washingtonian and economic growth innovation and competitiveness. Yet, many young Washingtonians are not on a path to participate in and fuel our economy.

WHY IS STEM IMPORTANT?



If we are to fill jobs, grow the economy, and close opportunity gaps for the next generation, we must increase the STEM talent across our state.

CONSIDER THE FACTS



Washington's employers are predicted to face 50,000 vacancies by 2017 due to a lack of highly skilled STEM and health care workers. The costs: \$800 million in lost annual tax revenue, high-paying jobs moving out of state, and reduced job creation.

Computer science—the ability to code, create algorithms, and analyze big data—is quickly becoming a high-value skill set and is a core driver of the state's skills gap. Yet, only 47 high schools in Washington offer Advanced Placement (AP) Computer Science, and out of the 711 AP Computer Science exam takers in the state in 2013, only four African-Americans and 14 Latinos passed. While the state has projected that computer science degree production needs to increase by 146 percent each year to meet employer demand, the state's flagship computer science undergraduate program at the University of Washington can only accommodate 30 percent of all qualified applicants due to a lack of funding and capacity.

While Washington adopted Common Core State Standards (CCSS) in math and English and Next Generation Science Standards (Next Gen) with the good intent to foster critical thinking and career- and college-readiness for students, the state has yet to make significant investments to help teachers retool their classroom practices. Nationally, only 23 percent of teachers feel very prepared to teach CCSS. Here in Washington, only 54 percent of teachers have received learning opportunities specific to the changes that will occur with the implementation of CCSS. In science, 41 percent of elementary school teachers from across the country reported that they had not participated in any science-focused professional development in the past three years. The science professional learning needs are particularly acute now that engineering concepts and practices are included in Next Gen, the first time engineering has ever been in the state's science standards.

Only 45 percent of incoming high-poverty kindergarteners in 2013 demonstrated "kindergarten readiness" in math; yet research shows that early math skills are the greatest predictor of future academic achievement.



WHY DO WE NEED A FRAMEWORK?

The good news is that Washington is home to many strong STEM education and workforce programs.

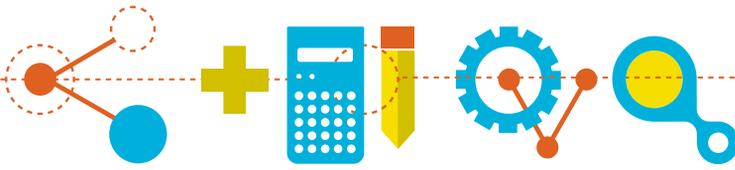
So, what's the problem? Since launching three years ago, Washington STEM has asked experts and practitioners across the state and nation that very question. Here's what it heard:

- Absence of common goals and indicators to track results.
- Lack of agreement regarding “what works” and mechanisms to share learnings and best practices, leading to a tendency to reinvent the wheel versus scale-up proof points.
- Resources, activities, and policies—local, state, federal, and private—are not focused and aligned enough to tackle really big challenges. These challenges include persistent opportunity gaps in early learning through high school, turning computer science from an elite discipline to a natural part of the school day, and the underrepresentation of African-Americans, Latinos, Native Americans, and women in STEM majors and careers.

DEVELOPMENT OF THE FRAMEWORK

Washington STEM created the Washington STEM Framework for Action and Accountability (The Framework) to respond to these challenges. The Framework is a research-based tool, co-constructed with and vetted by state and national advisors, designed to spur greater coordination, smarter investments, and clear results.

Washington STEM launched its efforts to develop the Framework in 2013. After creating an initial draft, the organization engaged with STEM leaders in Washington and across the nation to further develop and validate the Framework. Advisors included university partners, funders, businesses, policymakers, researchers, and educators in Washington, as well as members of STEMx, a multistate network of states dedicated to improving STEM education. Alongside Battelle, who acted as the evaluator, Washington STEM examined research and findings from the field to ensure the Framework components were evidence-based and actionable.



FRAMEWORK COMPONENTS

The Framework is comprised of the following components:

VISION AND GOAL: WHERE ARE WE GOING?

Our vision is that Washingtonians are prepared and inspired with the STEM skills necessary to live a life of opportunity and success in the state's thriving innovation economy and democratic society.

Our goal is for Washington to lead the nation in STEM literacy for all and to have a diverse, world-class workforce.

PRIORITY ACTIONS: WHAT WILL WE DO TO GET THERE?

The Framework uses four logic models to show the activities Washington STEM and its partners will perform to reach the Framework goal. A logic model graphically depicts relationships among resources, activities, outputs, and outcomes for a program. The Framework logic models were developed through extensive research to articulate key focus areas to improve STEM education in Washington. The four logic models in the Framework are:

- Early learning through high school students;
- Early learning through high school educators;
- Post-secondary, workforce training, and employers; and
- Aligned systems.

OBJECTIVES: WHAT WILL WE ACHIEVE?

Five objectives were identified to communicate priorities and desired actions and achievements within a specified time frame. These objectives will be used to guide activities (e.g., investments, programmatic initiatives, partnerships, and advocacy). The five objectives of the Framework are:

- Prepare, support, and retain excellent early learning through high school STEM teachers;
- Inspire early learning through high school Washington youth through real-world STEM learning opportunities;
- Raise public awareness and support for STEM;



-
- Prepare Washington's future workforce by graduating additional students with certificates and degrees in high-demand STEM fields (e.g., computer science, engineering, and health) and retraining adult workers with high-demand skills; and
 - Improve equity and diversity by improving outcomes for underserved and underrepresented populations in the state (e.g., students of color, girls, and rural populations) across the previous four objectives.

INDICATORS: HOW WILL WE MEASURE WHETHER WE ARE SUCCESSFUL IN MAKING PROGRESS AND BEING ACCOUNTABLE?

A critical component of the Framework is the ability to track and measure short- and long-term progress toward achieving the outcomes in each logic model. Working in tandem with stakeholders and drawing from research, 10 indicators have been drafted to correspond with the four logic models and five objectives. The following five criteria were used to select the indicators:

- **Be Focused.** Each indicator should speak directly to Washington's educational and workforce status in STEM-related areas. In addition, data should be disaggregated to the degree possible to provide information on underserved and underrepresented populations in STEM.
- **Be Meaningful.** Data should be useful to a wide variety of audiences and purposes.
- **Be Accessible.** Data should be available at no (or little) cost through currently existing secondary sources.
- **Be Perennial.** Data should be consistently available on an annual (or other regular) basis so they may be comparable over time.
- **Be Comparable.** Reporting of data should be comparable at various levels (United States, state, STEM Networks) to the extent desirable and feasible.

IMPACT: WHAT IMPACT DO WE EXPECT TO MAKE IN WASHINGTON STATE?

Washington STEM expects impact in two key areas: 1) sustainability of STEM in Washington state (sustainability is defined as the interaction and integration of partners, resources, and funding that allows partners to accomplish common goals); and 2) improved opportunity for Washingtonians and increased economic vitality in the state and region. Short- and long-term progress toward these two impacts will be measured with the indicators.

THE FRAMEWORK

VISION

All Washingtonians have the STEM skills necessary to live a life of opportunity and success in the state's thriving innovation economy and democratic society.



EARLY LEARNING-HIGH SCHOOL STUDENTS

- Indicator 1:** STEM awareness in Washington state
- Indicator 2:** Student interest in STEM fields
- Indicator 3:** Student STEM achievement among early learning-high school
- Indicator 4:** Student readiness for college-level study in STEM fields
- Indicator 5:** 21st century skills

Objectives:

- Inspire early learning through high school Washington youth through real-world stem learning opportunities
- Raise public awareness and support



EARLY LEARNING-HIGH SCHOOL EDUCATORS

- Indicator 6:** STEM classes led by effective educators from early learning-high school
- Indicator 7:** Teachers and school leaders with STEM-related degrees

Objectives:

- Prepare, support, and retain excellent early learning through high school STEM teachers
- Raise public awareness and support



Improve equity and opportunity by improving outcomes for underrepresented groups



POST SECONDARY AND EMPLOYERS

- Indicator 8:** Graduates from post-secondary institutions with degrees in STEM fields
- Indicator 9:** Alignment of STEM education programs with workforce needs of key economic sectors

Objectives:

- Prepare WA future workforce by graduating additional students with certificates and degrees
- Raise public awareness and support



ALIGNED SYSTEMS

- Indicator 10:** Partnerships and funding and resource allocation for STEM education and training in Washington state

Objectives:

- Raise public awareness and support



GOALS

Washington state leads the nation with:

- STEM literacy for all
- A diverse, world-class workforce

THE IMPACT WE WILL HAVE

A strong and vibrant Washington state economy that offers ample opportunity for all.



A TOOL TO ACCELERATE OUR IMPACT

Upon implementation, the Framework is expected to accelerate impact in the state by:

- Aligning STEM efforts across the state of Washington against a common vision, shared goals, and clear indicators;
- Focusing future investments and improving return on investment;
- Providing a strategic planning and measurement tool for STEM Networks and other STEM efforts in the state;
- Creating a common research and development agenda to test, identify, and spread promising practices; and
- Informing policy development and implementation.

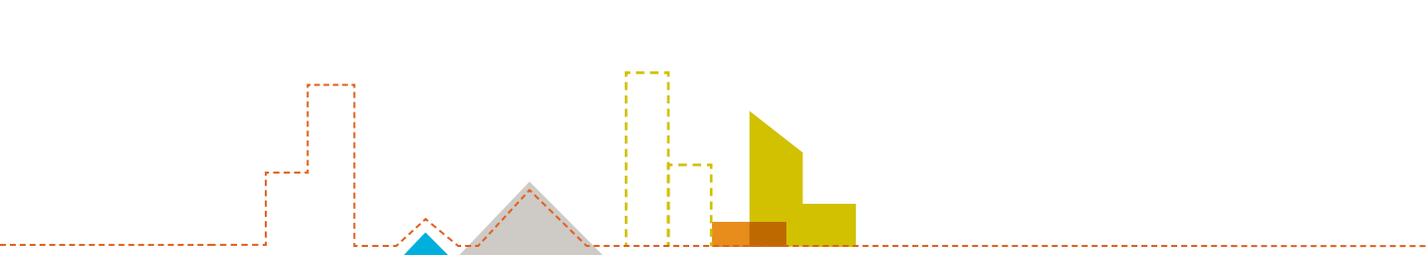
To support implementation, Washington STEM will rely upon the Framework to prioritize its future investments and efforts. Washington STEM is working with its seven STEM Networks to ensure there is strong alignment between the Framework and each Network's business plan.

Washington STEM welcomes partners from around the state to use the Framework to maximize knowledge sharing, the spread and scale of best practices, and statewide impact. It is important to continue to engage stakeholders in all future Framework development. As progress is made, changes to the logic models will be considered and reviewed over time by statewide stakeholders and partners.

Washington STEM shared its Framework with the Governor's STEM Education Innovation Alliance, as called for in legislation passed in 2013. The STEM Alliance is currently reviewing the Framework; an important initial task for them will be to adopt a Framework for action and accountability. Once the Alliance adopts a framework, a STEM Benchmark Report Card (Report Card) will be developed based on the proposed Framework measures. The purpose of the Report Card will be to monitor progress in aligning strategic plans, resources, and activities in order to prepare students for STEM-related jobs and careers, with the long-term goal of improving educational, workforce, and economic outcomes.

Washington STEM will support establishing measurable goals for the Framework objectives by providing specific time frames and quantifying the magnitude of the changes expected. In addition, further development of the ten indicators is necessary to begin the preparation of statewide report cards.

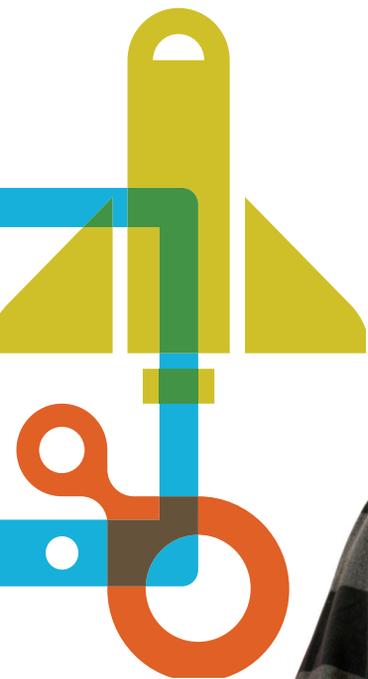




CONCLUSION

The Framework is intended to be a user-friendly tool to help focus state-level STEM education investments and efforts on proven practices and the most promising innovations. It is designed to enable the creation of a results-oriented STEM education learning community across Washington state and, ultimately, to accelerate equity and STEM education impact at scale. Washington STEM looks forward to working with many partners to implement the Framework and to sharing its collective insights with colleagues around the state and nation.

To join us in accelerating STEM education, and learn more about the Framework and the research used to create it, please visit: washingtonstem.org/framework.



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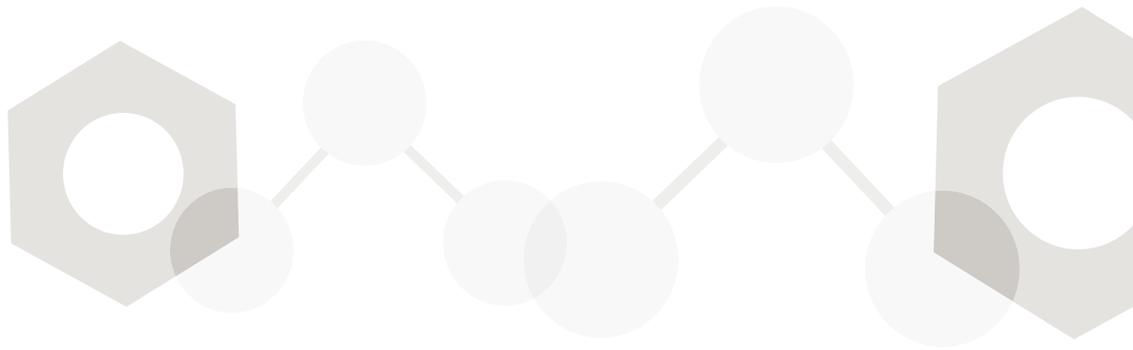
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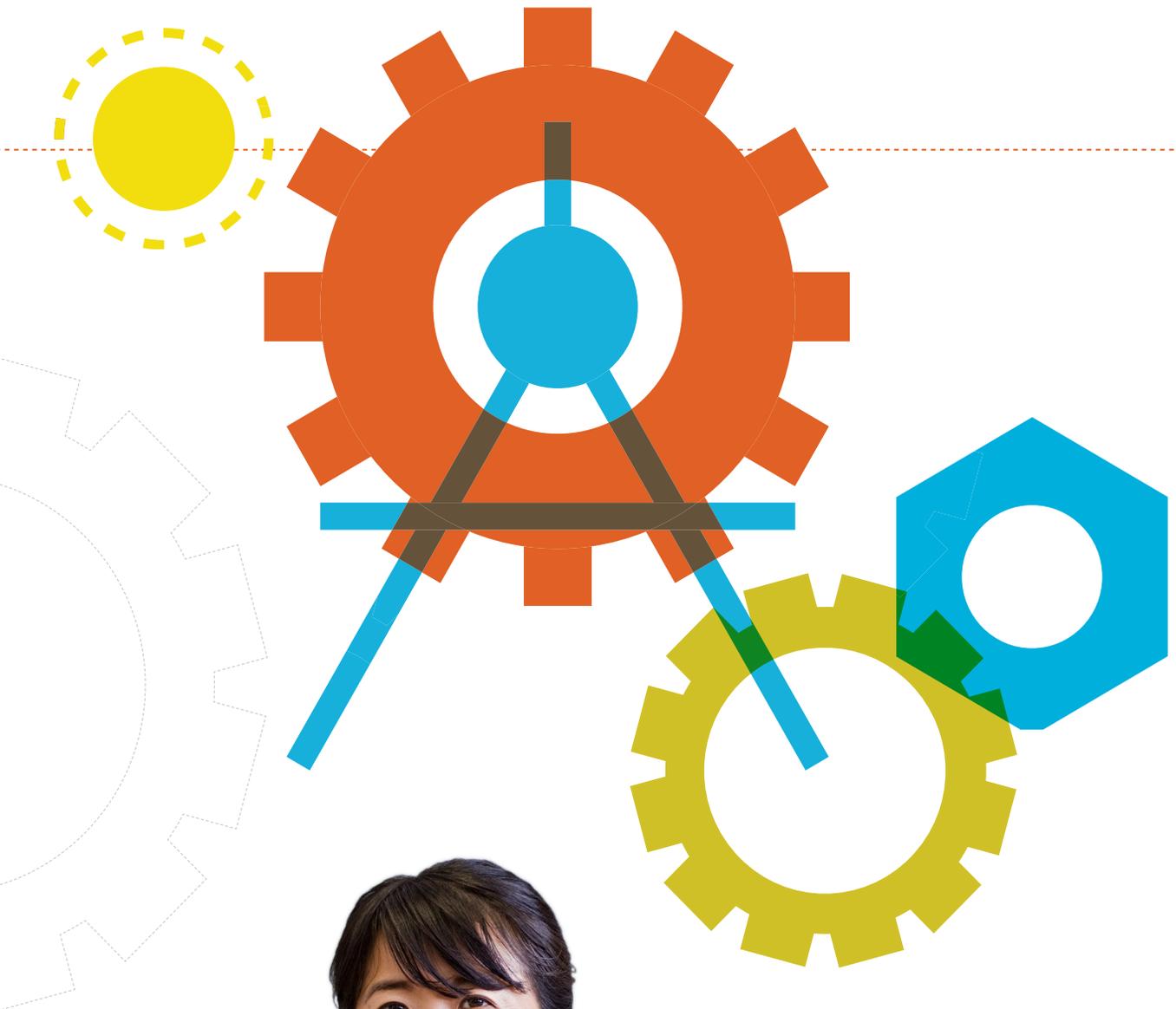
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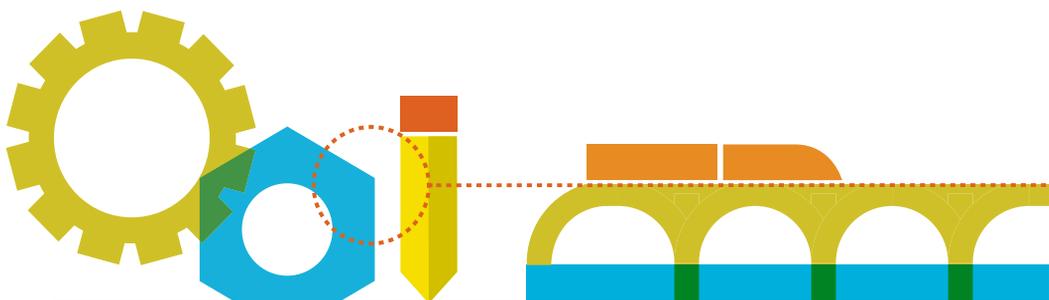
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State of Washington
Decision Package

Agency: 340 Washington Student Achievement Council

Decision Package Code/Title: N8 –Consumer Protection

Budget Period: 2015-17

Budget Level: PL– Performance Level

Program: 010– Policy Coordination and Administration

Agency Recommendation Summary Text:

WSAC is charged with regulatory oversight serving to protect students through a variety of programs. These include degree authorization, state student financial aid, and program approval for veteran’s education benefits.

This proposal enhances our oversight capabilities and increase efficiencies by:

1. Providing resources to allow for a minimum of one technical assistance/compliance visit to each degree authorization participating institution per biennium, and close monitoring of schools participating in state financial aid programs.
2. Addressing the necessary costs to comply with contractual federal requirements and ensure veterans are able to access earned educational benefits.

Fiscal Detail:

		FY 2016	FY 2017	Total
Operating Expenditures				
001-1 General Fund – State.		\$0	\$223,000	\$223,000
	Total Cost	\$0	\$223,000	\$223,000
Staffing				
001-1 General Fund – State			1.7	.9
	Total FTEs		1.7	.9
Revenue Detail		<u>Fund Source</u>		
None		\$0	\$0	\$0
	Total Revenues	\$0	\$0	\$0

Description:

Degree Authorization:

Currently 58 non-exempt institutions are authorized to operate in Washington. These institutions pay fees to support Degree Authorization activities. However, the fees are submitted to the general fund and do not come directly to the agency. As a result, while volume has increased, funding to the agency for these activities has remained flat. In addition, recent school closures and financial instability in a number of schools have raised the importance of increased monitoring and proactive technical assistance. Supplemental funding would allow WSAC to visit every school on a biennial basis and would provide greater flexibility for targeted visits and interventions as issues emerge among our authorized schools.

Financial Aid Technical Assistance and Compliance:

Currently 68 approved institutions participate in state financial aid programs. This past year, two more have submitted applications to participate and three others have requested application materials. Due to limited resources, the Student Financial Aid (SFA) division is unable to conduct on-site visits, so instead intervenes with institutions by reviewing school-submitted data after students have been awarded. If this request is approved, SFA would be able to conduct proactive on-site visits for newly participating institutions, new financial aid administrators, and any others in need of training and compliance assistance. Funding would allow for another 8-10 school visits for training and compliance purposes annually. Where there is overlap with degree authorization, efficiencies would be gained by having one staff member visit the school for dual purposes.

State Approving Agency:

WSAC is the federally designated State Approving Agency (SAA) responsible for the review, evaluation, approval, and oversight of degree-granting schools and training facilities to ensure state and federal quality criteria are met for veterans and other eligible persons using Education Benefits from the Department of Veterans Affairs (VA). This is accomplished via program review, on-site visits, technical assistance, and outreach efforts. VA funding has decreased over the past five years by \$30,527 (9.49 percent) while costs to provide these services has risen for SAA staff. Funds allocated by the VA are no longer sufficient to provide adequate approval, oversight, and outreach activities to ensure veterans are able to access the benefits they have earned and to meet our obligations under our contract with the VA. Without additional funding, WSAC will not be able to maintain current levels of program supervision and outreach activities.

How does the agency want to address this problem, opportunity, or priority and why?

Supplemental funding would allow WSAC to routinely visit schools, providing greater flexibility for targeted visits and interventions in the event issues emerge among our authorized and SFA-participating schools. Additional state funding for the State Approving Agency is essential to ensure that WSAC can continue to provide approval, oversight, and outreach activities to support veterans at current contractual levels.

What will the package funding actually buy or not buy?

The supplemental request would provide funding for a shared staff position to visit all schools authorized through degree authorization over two years, and new administrators participating in state aid programs in need of assistance and training. The visits would provide an opportunity for more proactive compliance monitoring and technical assistance where appropriate.

Requested funding will provide salary support for staff to conduct approval, oversight, and outreach activities for students with veterans benefits. The current federal contract requires a total of 20 compliance surveys per FTE (currently 62 per fiscal year). Without state funding, the reduced federal grant will result in reduced FTE, and thus fewer compliance surveys. This request will maintain funding to ensure WSAC meets this requirement. In addition, increased site visits reduce the chance for compliance errors and increase outreach to veterans.

For questions regarding degree authorization or state approving agency resources, please contact Michael Ball, Associate Director, at 360.753.7866 or michaelb@wsac.wa.gov. For questions regarding financial aid training and compliance, please contact Becky Thompson, Director of Student Financial Aid, at 360.753.7840 or beckyt@wsac.wa.gov.

Narrative Justification and Impact Statement:

- **What specific performance outcomes does the agency expect?**

Degree authorization and student financial assistance:

The outcome of proactive school visits and training is increased protection for consumers and state financial aid programs. Recent school closures and financial instability in a number of schools have raised the importance of increased monitoring and proactive technical assistance. When compliance is only monitored through school-provided data, there is increased risk of waste, abuse, and fraud. By being able to observe and validate compliance with written policy on-site, problems can be identified and acted on earlier.

- Degree Authorization (DA) provides oversight to 58 authorized institutions. WSAC currently conducts a renewal of authorization every two years. The renewal date is based on the original date of authorization and involves a review of documentation submitted to the Olympia office. Any new institution that offers programs at a physical location in the state, offers degree programs in the state, recruits Washington residents, or otherwise maintains a physical presence in the state is required to receive authorization from WSAC.
- This request would permit WSAC to ensure the institutional review includes an on-site visit once every two years for schools with a physical presence in Washington. Having staff present on a campus has two primary benefits: 1) Validate information received in documents is actually being implemented at the campus level and 2) Ensure campus-level staff are aware of Washington requirements for operating a school under Washington laws and rules. An example of validation is as follows: DA staff received documentation describing the process used to assign students for internship positions. A discussion with local staff indicated that the “corporate version” of what should take place was not taking place at the local level. Early intervention by DA helped ensure students were being assigned internship positions according to school rules and therefore aided students in completing their program of study in a timely manner.

- DA staff often work with out-of-state representatives of corporate schools or schools with a main campus located outside Washington. On-site visits (to the local Washington campus or site) would allow for training of local campus personnel in the laws and rules for operating a degree-granting institution in Washington. On-site visits would also allow DA staff to meet with students. Their perspective may be different than that given to DA staff by administrative personnel. This approach would allow for DA intervention before “concerns” become “complaints.”
- Early on-site intervention also allows DA staff to assist when a situation become imminent. An example is Henry-Cogswell College. The foundation controlling the college determined that it was no longer cost-effective to maintain the Washington location. On-site visits by DA staff allowed for participation with the school in the development of a teach-out process and for the creation of a method to ensure the safekeeping of student records.
- There are 28 private institutions participating in state financial aid, and both public and private institutions are in need of training and compliance oversight and technical assistance. An additional .5 FTE would permit on-site visits to review student files and evaluate the process institutions use to monitor program criteria and award students. WSAC staff can offer direction and assistance to prevent violations of program regulations leading to overpayments or precluding students from receiving assistance.

State Approving Agency:

The State Approving Agency (SAA) is responsible for the review, evaluation, approval, and oversight of schools and training facilities to ensure state and federal quality criteria are met for veterans using their G.I. Bill® funds. SAAs are advocates for quality and diverse education and training opportunities. SAAs also assist the U.S. Department of Veterans Affairs (VA) in preventing fraud, waste, and abuse in the administration of benefits. Additional funding will allow WSAC to maintain current levels of service to colleges, training facilities, veterans, and other eligible persons in Washington State.

- In federal fiscal year (FFY) 2015, WSAC/SAA conducted compliance surveys/visits at 62 colleges and training facilities in Washington State, and approved 23 new training facilities and 3 new colleges and universities for the use of VA education benefits for the citizens of Washington State. Funding is needed to ensure this level of oversight is maintained. Without funding, the amount of compliance surveys will be decreased proportionally and increase time needed to process new program approvals.
- In FFY 15, as a result of limited compliance surveys/visits conducted by WSAC/SAA at colleges and training facilities, \$63,787 was found in overpayments and \$145,240 was found in underpayments by the VA to colleges and universities, veterans and other eligible persons. This represents a substantial amount of money that was inappropriately awarded resulting in taxpayer funds returned to the program or identifying a loss of opportunity to receive benefits. A loss of funding will decrease the amount of compliance surveys conducted in Washington State, resulting in less oversight and supervision, which may result in more payment errors.

- Supervision of colleges, universities, and training establishments that provide VA education benefits requires mastery of a complex and changing set federal and state rules and regulations. Colleges, universities, and training establishments in Washington State rely on WSAC/SAA to provide technical assistance in the administration of the various GI Bill® programs. To date, in FFY 15, WSAC/SAA has provided technical assistance to currently approved facilities and facilities seeking approval in a total of 338 instances. Reduced staffing will negatively impact the time WSAC/SAA has to provide this valuable service to stakeholders—including veterans and other eligible persons, colleges and universities, flight schools, apprenticeships, and on-the-job training establishments—in Washington State.
- WSAC/SAA staff participate in professional organizations to provide outreach, educate stakeholders, and encourage the use of the GI Bill® in Washington State. These organizations include: Washington State Prior Learning Assessment work group, the Secretary’s Advisory Committee for Education, the Governor’s Committee on Military Transition, Joint Base Lewis McChord (JBLM) Advisory Committee, and Veterans Employment Resource Group. Funding needs to be maintained at current levels to ensure continued support to these organizations and to the veterans and other eligible persons in Washington State.

• **Performance Measure Detail:**

N/A

• **Is this decision package essential to implement a strategy identified in the agency’s strategic plan?**

The Consumer Protection staff serve as collaborative, educational advocates (Goal One of the WSAC internal agency strategic plan) by:

- Promoting and safeguard quality education and training programs.
- Ensuring greater educational training opportunities to meet the changing needs of Washingtonians.
- Supporting Washington students by protecting consumers against unfair business practices and in preventing fraud, waste, and abuse in the administration of student aid programs and the GI Bill®.

The Consumer Protection staff strives for exceptional work and continuous improvement (Goal Two of the WSAC internal agency strategic plan) by:

- Committing to ongoing staff development and training by attending training opportunities and conferences as time and funding permit.
- Providing technical assistance and training to institutional staff to ensure they are meeting the expectations of the state in terms of fair business practices and effective administration of student aid programs and the GI Bill®.
- Meeting or exceeding the targets and goals as outlined by the DVA in the annual contract.
- Actively partnering with the VA and participating in the National Association of State Approving Agencies.

The Consumer Protection staff contribute to the culture of one agency (Goal Three of the WSAC internal agency strategic plan) by:

- Providing information and training to WSAC staff members
- Ensuring one staff member is trained under multiple regulatory areas and can provide assistance to an institution for both degree authorization and state financial aid requirements.

- **Reason for change:**

Degree authorization and financial assistance:

Current staffing resources do not allow for regular proactive school visits and training that could identify compliance issues early. With current staffing levels, most monitoring is done based on documentation submitted by the institution to staff in Olympia. Staff time is limited, so on-site visits generally occur only when a problem has already been identified. Lack of regular, proactive monitoring puts students—and in the case of student financial aid programs, state dollars—at a higher risk, because problems not caught early may affect more students, and fewer options to mitigate issues will be available.

For example, in the case of a sudden school closure there may be very limited options for students to finish their program elsewhere. However, if problems are identified earlier, there may be options to maintain limited operations or negotiate transfer agreements with other institutions. As another example, on-site visits would provide training and assistance to new financial aid administrators and provide an ability for WSAC to review processes first-hand, preventing students from being mis-awarded, which could lead to an overpayment or missed opportunity for students.

State Approving Agency:

Funds provided by the VA to WSAC/SAA are no longer sufficient to provide adequate program approval, supervision, and outreach activities to colleges, training facilities, and veterans in Washington State. This supplemental request provides funding to address the necessary costs to conform to contractual federal requirements, and to meet the needs of colleges, universities, training establishments, veterans, and family members in the areas of supervision, technical assistance, and outreach at current levels. Current staffing level is 3.1 FTE. Without additional funds, WSAC/SAA could face staff reductions of .65 FTE or greater in FY 17.

- **Does this decision package provide essential support to one or more of the Governor's Results Washington priorities?**

Results Washington Goal One, World Class Education, is increased and supported by improvements in consumer protection. Students have the opportunity to learn at a diverse range of institutions in Washington. WSAC consumer protection activities increase opportunities for Washingtonians to reach their educational goals and make use of student aid programs and veterans benefits.

Results Washington Goal Two, Prosperous Economy, is directly related to the work done by WSAC/SAA. The GI Bill® not only pays tuition, books, and housing allowance for veterans to attend school, it provides a living stipend for veterans participating in apprenticeships and on-the-job training (OJT) programs. Currently WSAC/SAA oversees 120 apprenticeships and OJT establishments. Veterans completing these programs advance to journey-level positions within Washington State, directly contributing to a prosperous economy.

- **What are the important connections or impacts related to this proposal?**

Degree authorization and student financial assistance:

Increased oversight so that consumers, other participating colleges, and state dollars are protected.

State Approving Agency:

Colleges, universities, and training facilities in Washington State will keep current levels of technical assistance and oversight.

- **What alternatives were explored by the agency and why was this alternative chosen?**

Degree authorization and financial assistance:

The alternative approach is to continue to stretch our resources in the area of compliance, which does not allow for regular proactive school compliance visits and training. With additional schools applying and inquiring about participation in state financial aid programs, as well as staff turnover on campuses, there is a growing need for close monitoring.

State Approving Agency:

The alternative approach is to adjust staffing to reduced resources and lessen our oversight and outreach activities in support of veterans. WSAC does not have the ability to redirect resources or staffing from other critical areas the agency has been required to manage.

- **What are the consequences of adopting this package?**

Degree authorization and financial assistance:

The supplemental request would provide funding for a shared staff position to visit all schools authorized through degree authorization on at least a biennial basis and to institutions participating in our state student aid programs as new administrators have training needs. The visits would provide an opportunity for more proactive compliance monitoring and technical assistance where appropriate, as well as efficient coordination among the two regulatory areas.

The outcome of proactive school visits and training is increased protection for consumers and state financial aid programs. Recent school closures and financial instability in a number of schools have raised the importance of increased monitoring and proactive technical assistance. When compliance is only monitored through school-provided data there is increased risk. By being able to observe and validate compliance with written policy on-site, problems can be identified and acted on earlier.

State Approving Agency:

If funding levels are not maintained, WSAC would have to reduce staffing from the current 3.1 FTE to 2.45. The result of this change would be fewer compliance and technical assistance visits to schools and training organizations and less availability to support outreach activities to schools and training facilities. WSAC/SAA would not be able to organize, attend, and support outreach efforts to promote the use and approval of GI Bill® benefits in Washington State.

- **Relationship to the state's capital budget:**

None.

- **Revisions required in an existing statute, Washington Administrative Code (WAC), contract, or state plan:**

None.

- **Expenditure and revenue calculations and assumptions:**

Revenues Calculations and Assumptions:

In FFY 2017, the VA will implement a revised formula that is expected to result in a \$70,000 reduction in WSAC’s next contract. The agency is requesting General Fund revenue to make up that difference and recognize current salary and benefit costs.

Expenditures Calculations and Assumptions:

Expenditures include current salary and benefits associated with the addition of a shared staff program associate position for SFA and DA monitoring and compliance beginning in July 2016.

For the State Approving Agency for Veteran’s Benefits, \$70,000 is requested to fund salaries and benefits for .65 FTE beginning in July 2017, based on current salary and benefit costs and anticipated changes in the state contract amount.

In addition, one FTE is requested to provide compliance visits in degree authorization and state financial aid (\$153,000).

Which costs and functions are one-time? Which are ongoing? What are the budget impacts in future biennia?

All costs shown are ongoing.

Object Detail:

	FY 2017	Total
Operating Expenditures		
A - Salaries	\$132,000	\$132,000
B - Benefits	\$44,000	\$44,000
C - Personal Service Contracts	\$0	\$0
E - Goods and Services	\$40,000	\$40,000
G - Travel	\$7,000	\$7,000
J - Equipment (over \$5,000 per item)	\$0	\$0
M - Transfers to trust funds	\$0	\$0
N - Grants to students or others	\$0	\$0
Total Objects	\$223,000	\$223,000

State of Washington

Summarized Revenue by Account and Source

Budget Period: 2015-17
 Dollars in thousands
 340 - Student Achievement Council
 Agency Level
 S1 - 2016 Supplemental Operating Budget
 Supporting Text Excluded

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	Maintenance Level		Performance Level		Biennium Totals		Total
	FY2016	FY2017	FY2016	FY2017	FY2016	FY2017	
17R - Aerospace Training S							
AL - Aerospace Loan Authority		94					
Total - 0444 - Grant Repayments - S		94				94	94
17R - Aerospace Training S - State		94				94	94
Total - 17R - Aerospace Training S		94				94	94
340 - Student Achievement Council - State		94				94	94
Total - 340 - Student Achievement Council		94				94	94