

Seattle Economic  
Development  
Commission

# The Seattle Grant:

Local Financing Initiative for  
Postsecondary Attainment

EDC Discussion  
November 19, 2014



# SOCIAL MOBILITY WORKGROUP'S CHARGE

Initiative	Action Areas	Goal: <i>What is advanced or transformed?</i>	Key Year 1 Milestone	EDC Foundational Area(s)			
				Innovation Ecosystem	Talent Creativity	Built Environment Infrastructure	Social Cultural Environment
Improve social mobility through access to college and career	<i>Access to college and career for all Seattle residents</i>	Develop and advance an approach to local financing of Seattle students completing a degree or credential at any college or university in Washington State	Research and recommend a local financing proposal that is effective, affordable and acceptable to the community				

## EDC Commissioners:

**Chancellor Jill Wakefield**, Seattle Colleges

**President Michael Young**, University of Washington

**David Freiboth** – Executive Secretary Treasurer,  
King County Central Labor

**Charissa Raynor** – Executive Director,  
SEIU Healthcare NW Training Partnership

**Tanya Jimale**, President and CEO, JTS

## Staff:

Carol Diem, UW

Bruce Genung, Seattle Colleges

Leslie Haynes, Seattle Colleges

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Randy Hodgins, UW

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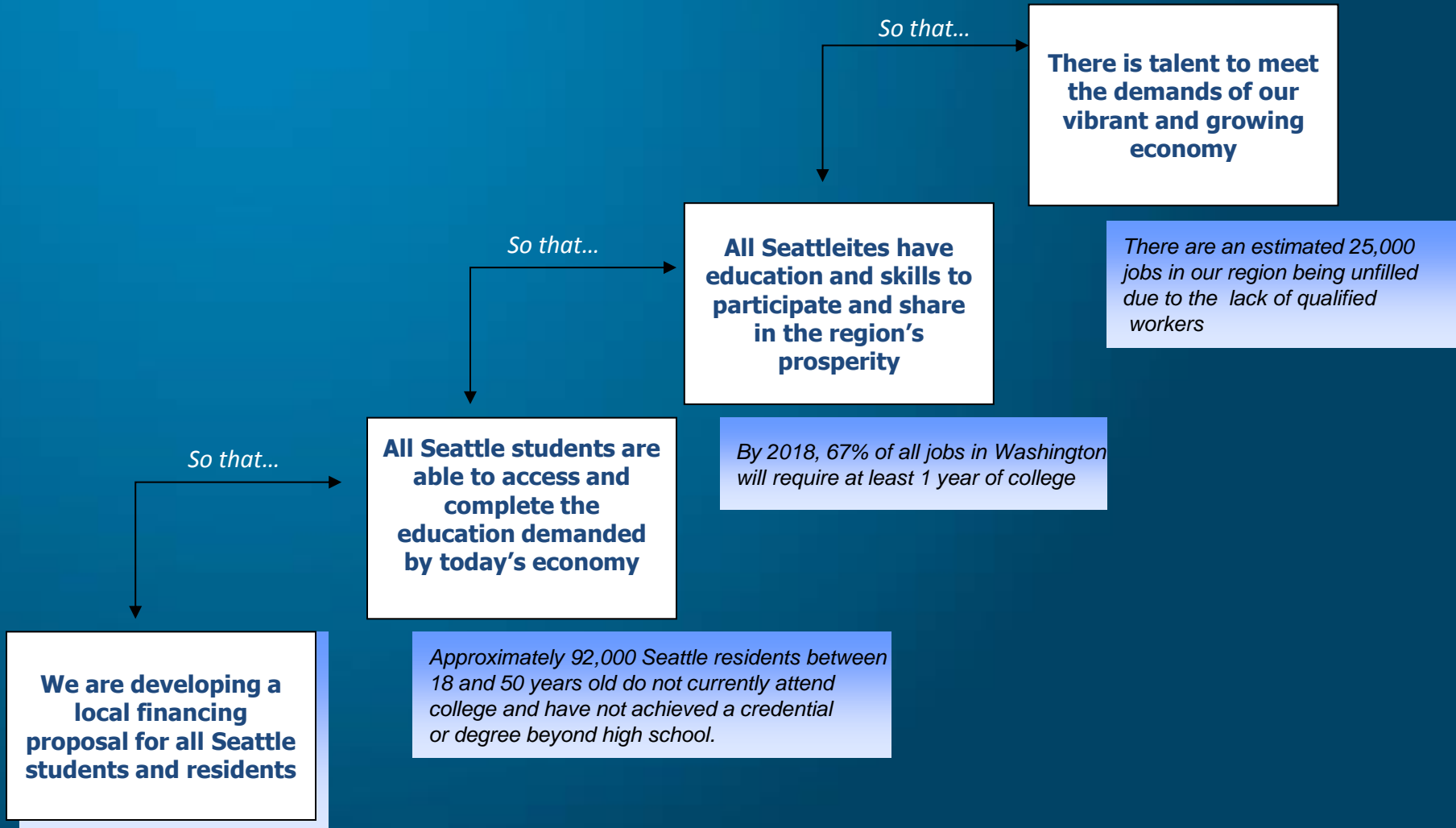
Kay Lewis, UW

Bridgid McDevitt, Seattle Colleges

Nancy Yamamoto, City of Seattle

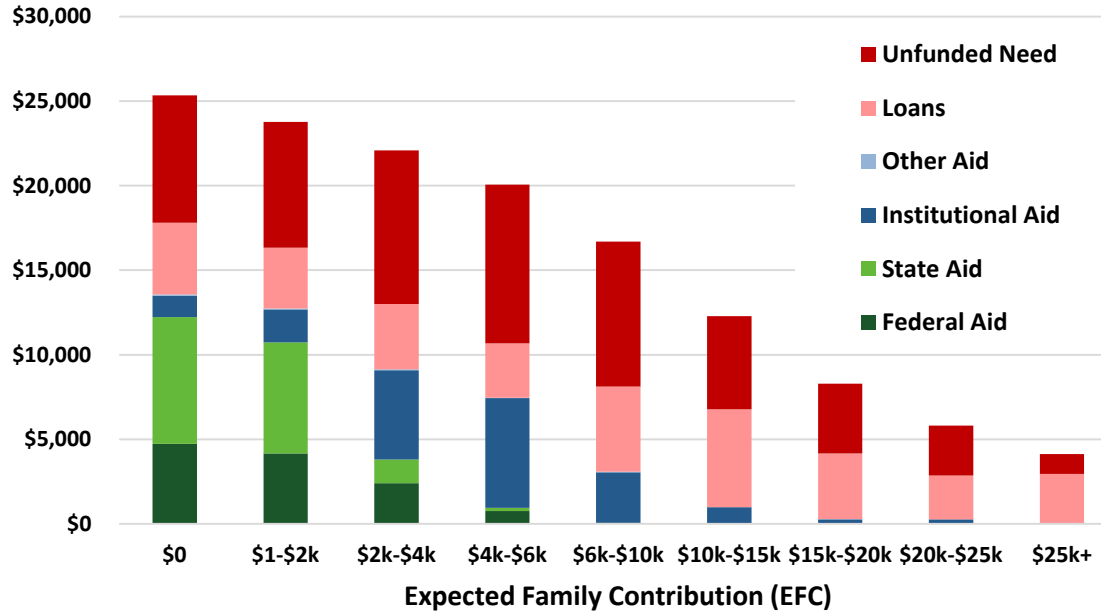
# INITIATIVE 1 –

## IMPROVE SOCIAL MOBILITY THROUGH COLLEGE & CAREER



# SEATTLE'S UNMET EDUCATION NEED

Unfunded Need for Seattle Students Attending a Public Washington 4-Year College or University



Total cost of attendance includes tuition, fees, books and basic living expenses.

The 2014-15 cost of attendance for a UW student is \$27,000 per year

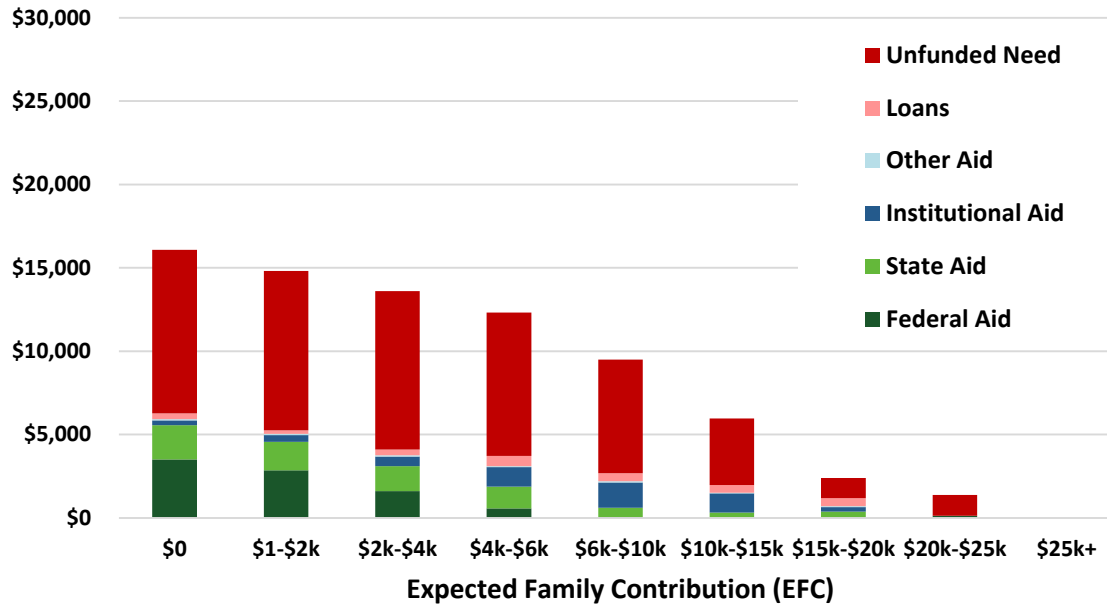
Unfunded Need = \$38 Million Annually

Loan Debt = \$22 Million Annually

TOTAL for 4-yr College or University = \$60 Million Annually

# SEATTLE'S UNMET EDUCATION NEED

Unfunded Need for Seattle Students Attending a Public Washington Community or Technical College



The 2014-15 cost of attendance for a Seattle College student is \$18,000 per year

Unfunded Need = \$74 Million Annually  
Loan Debt = \$ 3 Million Annually  
TOTAL for CTC = \$77 Million Annually

# KEY FINDINGS AND POLICY IMPLICATIONS

## Financing Impacts:

- Sources of aid are not keeping pace with tuition; currently 33,500 WA State students are eligible but do not receive State Needs Grant
- Unmet need results in trade-offs around levels of enrollment, hours worked, and private debt levels that have negative impacts on academic persistence and completion

## Student Impacts:

- Unmet financial need is a significant issue across educational institutions and student income levels
- Studies show that financial aid programs have positive K-12 impacts and can increase college enrollment and completion
- The increase in median life-time earnings over a high degree averages \$441,000 for an Associates degree and \$848,000 for a Bachelor's degree (The Pell Institute, [www.postsecondary.org](http://www.postsecondary.org))

# KEY FINDINGS AND POLICY RECOMMENDATIONS

## Community Impacts:

- Promise Programs have strengthened the college-going culture of their communities and have spawned the emergence of new student support programs
- Raising the median adult 4-yr college attainment rate of the top 51% metro areas from 30.7% to 31.7% would be associated with an increase of \$143 billion in income per year for the nation  
(CEOs for Cities, The City Dividend, [www.ceosforcities.org/city-dividends/talent/](http://www.ceosforcities.org/city-dividends/talent/))
- Graduates who attend local colleges and universities in the Pacific Northwest become part of the local talent pool. (88% of the graduating class of 2008 according the New England Policy Center, [www.bostonfed.org/economic/neppc/briefs/2013/](http://www.bostonfed.org/economic/neppc/briefs/2013/))

# SUMMARY OF POLICY IMPLICATION & STARTING PRINCIPLES

Some recommended guiding principles upon which to build the EDC financing strategy:

- Any new aid program should be additive and not reduce eligibility for federal, state or institutional aid.
- Aid should address all costs of attendance rather than only tuition and fees.
- To the extent possible, it is desirable to reduce loan debt.
- Financial barriers for both high school graduates and “non-traditional” students should be considered.
- The financial needs of low-income, middle-income students and working adults should be addressed.
- Students enrolled in private not-for-profit institutions should be considered for participation as well as those enrolled in any Washington State public institution of higher education.



# DESIGN FRAMEWORK OPTIONS

## *SCALE OF THE NEED WILL REQUIRE CHOICES AROUND ELIGIBILITY:*

We estimate that there are about 8,200 students from Seattle attending a Seattle public or private/non-profit college or university. An additional 5,800 attend a Washington college or university outside the city.

### Scaling Options:

1. Focus on Seattle colleges and universities as a pilot or ongoing program model.
2. Limit Student Eligibility based on:
  - Income limits
  - Merit (GPA, Attendance, etc)
  - Field of Study (i.e. STEM)

## Key Questions for EDC Commissioners:

*Should the Commission proceed with a detailed design on a proposal to generate local funding for college completion?*

*If so, do Commissioners have initial preferences for:*

- *Scale of the proposal in terms of meeting need*
- *Priorities for targeting resources*
- *Approaches and sources of public and/or private financing*

*What advice do Commissioners have for moving forward?*

- *Timeline for introducing the proposal into the public arena*
- *Inclusion of additional perspectives on the workgroup*
- *Engagement of other key partners and prospective champions*