Financial Aid Background and Advocacy

As an ICW Board member, your role in our financial aid advocacy is to understand and set our priorities and to help advocate for those priorities as you are able. ICW will identify, with your input, key legislators with whom to build a relationship. ICW will ask you to call, write, or email these legislators to encourage support of financial aid. In addition, ICW organizes meetings between interested Board members and legislators in Olympia each session.

State Financial Aid

State Need Grant

Established over 40 years ago, the State Need Grant (SNG) program helps the state’s lowest-income undergraduate students pursue degrees. Private nonprofit colleges have been included from the start of the program. To receive the SNG, students must be a resident of the state (or DACA), be an undergraduate in an eligible degree-seeking program, and have family income below 70 percent of the median family income (about $57,500 for a family of four). However, the underfunding of the program means that the grant goes primarily to students whose income is 50% of MFI ($41K). The maximum grant at independent colleges in 2017-18 is $9,553, recoupling our awards with the level of the research universities. This was the first rise in grant awards for our students since 2012-13. Nearly 69,000 low-income students received more than $305 million in SNG funds during the 2015-16 academic year. However, due to underfunding of the program, approximately 21,000 students who are eligible for SNG will not receive the grant in the 2017-18 academic year.

College Bound Scholarship

The College Bound Scholarship was established by the legislature in 2007. The purpose of the program is to provide state-funded financial aid to low-income students who may not consider college a possibility because of the cost. Eligibility for the scholarship is a two-part process. First, students whose families are income-eligible (free or reduced lunch) must submit a complete application during 7th or 8th grade year. Then students must complete the scholarship pledge requirements and meet income-eligibility guidelines. The maximum award amount is 100% of tuition at the public college the student is attending plus $500 for books. Like State Need Grant, the maximum grant is connected to research universities. At independent colleges in 2017-18 is $11,904. The College Bound Scholarship is basically an endowment. Funding for the program is included in the base budget. College Bound
students receive a full State Need Grant first and the College Bound account fills in the difference between the maximum SNG and the full College Bound Scholarship.

**State Work Study**
The Washington State Work Study program was created in 1974 and helps students from low and middle-income families earn money for college while gaining experience in jobs related to their academic and career goals. Eligible students find an approved job and the state reimburses a portion of the student wages to employers. Students may not work more than an average of 19 hours per week while enrolled, or more than 40 hours per week during breaks. While awards vary, students generally earn between $2,000 and $5,000 per year. In 2015-16, nearly 4,400 students earned income through state work study. Since 2009, amidst a challenging state budget environment, program funding has been reduced by 66 percent. ICW is a Work-Study employer. At most ICW colleges, the state work study must be used off campus, so it is focused on juniors and seniors seeking career focused opportunities. (May be used on campus at Heritage University, University of Puget Sound, and Whitman College.)

**Federal Financial Aid**

**Pell Grant**
Created in 1965, Pell Grants are awarded to eligible undergraduate students who have not earned a bachelor’s or professional degree. The maximum award for the 2017-18 academic year is $5,920. The amount a student receives depends on the student’s financial need and the cost of attending that particular college. Pell Grants enjoy strong bipartisan support, but its value has not kept up with inflation.

**Supplemental Education Opportunity Grants (SEOG)**
Created as a supplement to Pell Grant predecessor (Basic Education Opportunity Grant), it is distributed to colleges and must be matched 25% by the college. It goes to Pell Grant recipients and is especially important for baccalaureate colleges whose tuition is greater than the Pell Grant maximum. Some key members of Congress are advocating for “one grant, one loan, one work” program, making SEOG funding vulnerable.

**Federal Loans**
To receive a Federal Subsidized Loan, the student must have financial need. Under the subsidized program, the federal government pays the interest on the loan during the time the student is attending school and during the six-month grace period following graduation. Unsubsidized Loans are available to students who do not meet the financial need requirements. The loans are “direct” from the federal government and repayments flow to the federal government, currently reducing the budget by several billion dollars.
PLUS Loans are available to all families regardless of their income. The loan is made directly to the parents and permits them to borrow up to the cost of attendance minus any financial aid received. The interest rate is not to exceed nine percent. Repayment usually begins within 60 days after receipt of the funds. Applications are available at lending institutions.