

Date: December 10, 2009
Subject: Governor’s cut to the State Need Grant and the Possible Effect on Husky Promise

The Governor’s 2010 Supplemental Budget released December 9, 2009 is a mandatory budget that must reflect current state resources. The Governor has assured Washingtonians that she will present a new budget in January with additional revenue or tax increases, partially meant to “buy-back” severe cuts to state services like those to the State Need Grant (SNG) program.

The SNG was cut by a deep 60 percent. Grant eligibility levels were cut from 70 percent of median family income (MFI, currently \$54,500 for a family of four) to 50 percent (currently less than \$39,000 for a family of four). The cut in grant eligibility will effectively **eliminate over 12,300 Washington undergraduate students from participation.** Further, grant award amounts will be cut in half for students with income levels below 50 percent.

Impact of the Current cuts to SNG on the University of Washington

In the 2009-10 academic year, 7,000 UW students will receive \$41 million in SNG funding at the UW. The proposed cuts to the SNG Program in the first 2010 Supplemental budget would result in the loss of \$23 million of this funding (see table below for more detail).

Impact on UW for Students under 50% MFI	Impact on UW for Students between 51-70% MFI
5,000 students continue to be eligible for lower grant awards	2,000 student are no longer eligible for grant awards
UW SNG funding loss of \$17 million	UW SNG funding loss of \$6 million

How the Current cuts to SNG could impact the UW’s Husky Promise Program

The UW’s commitment to covering tuition and fees for students that qualify for either the federal Pell Grant or the State Need Grant was established for the 2007-08 academic year as the Husky Promise. Husky Promise recipients must reestablish their eligibility annually. The 2009 incoming freshman class represented the largest group of Husky Promise students, with over one-quarter of students qualifying for the program across all UW campuses.

Because the Governor has indicated that the 2nd version of her budget will re-evaluate these cuts to the SNG, it is too early to calculate what effect the cuts might have on the Husky Promise program. . However, it is important to note that **approximately \$18.9 million of the Husky Promise commitment is fulfilled with SNG funding.** The college attendance of students from families with low to moderate incomes will be greatly jeopardized should UW students and the Husky Promise program lose this vital source of state aid.

More analysis of the relationships between SNG, Husky Promise and institutional financial aid will be released as the Governor’s second budget becomes available and the legislative session begins.

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