

SENATE BILL REPORT

SB 6101

As Reported by Senate Committee On:
Higher Education & Workforce Development, January 18, 2018
Ways & Means, February 6, 2018

Title: An act relating to establishing the evergreen investment scholarship program, which provides for affordable access to institutions of higher education.

Brief Description: Establishing the evergreen investment scholarship program. [**Revised for 2nd Substitute:** Establishing the evergreen free college program.]

Sponsors: Senators Ranker, Frockt, Palumbo, Dhingra, Kuderer, McCoy, Cleveland, Saldaña, Billig, Van De Wege, Hunt and Hasegawa.

Brief History:

Committee Activity: Higher Education & Workforce Development: 1/11/18, 1/18/18 [DPS-WM, DNP].

Ways & Means: 2/05/18, 2/06/18 [DP2S, DNP, w/oRec].

Brief Summary of Second Substitute Bill

- Establishes the Evergreen Free College Program to provide free college tuition and fees to eligible residents seeking a bachelor's degree, associates degree, or certificate from a state institution of higher education.
- Establishes a six-step phase-in for the program based on when a student obtained a high school diploma, or equivalent, and their family income level.
- Requires development of a student success course, measurement of the impacts of the program, and establishment of an alternative grant program if appropriation levels are less than what is required for full implementation.

SENATE COMMITTEE ON HIGHER EDUCATION & WORKFORCE DEVELOPMENT

Majority Report: That Substitute Senate Bill No. 6101 be substituted therefor, and the substitute bill do pass and be referred to Committee on Ways & Means.

This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not a part of the legislation nor does it constitute a statement of legislative intent.

Signed by Senators Ranker, Chair; Palumbo, Vice Chair; Carlyle, Lias, Miloscia and Nelson.

Minority Report: Do not pass.

Signed by Senators Hawkins, Ranking Member; Ericksen and Short.

Staff: Alicia Kinne-Clawson (786-7407)

SENATE COMMITTEE ON WAYS & MEANS

Majority Report: That Second Substitute Senate Bill No. 6101 be substituted therefor, and the second substitute bill do pass.

Signed by Senators Rolfes, Chair; Frockt, Vice Chair; Billig, Carlyle, Conway, Darneille, Hasegawa, Hunt, Keiser, Mullet, Palumbo, Ranker and Van De Wege.

Minority Report: Do not pass.

Signed by Senators Braun, Ranking Member; Honeyford, Assistant Ranking Member; Bailey, Becker, Brown, Schoesler and Wagoner.

Minority Report: That it be referred without recommendation.

Signed by Senators Pedersen, Rivers and Warnick.

Staff: Daniel Masterson (786-7454)

Background: The Washington Student Achievement Council (WSAC) administers four need-based financial aid programs for students enrolled in eligible postsecondary programs.

State Need Grant (SNG). The SNG program provides need-based financial aid to income-eligible students pursuing postsecondary education. Eligible students have a household income that is less than 70 percent of the state's median family income.

College Bound Scholarship. The College Bound Scholarship was created by the Legislature in 2007. The scholarship covers tuition at comparable public college rates, some fees, and a small book allowance. Students in 7th or 8th grade whose family meets the income requirements must submit and complete an application by June 30th of the student's 8th grade year. Students must also meet the College Bound Pledge requirements and income-eligibility as determined by the student's financial aid application—FAFSA or WASFA—in their senior year of high school.

State Work Study. State Work Study is financial aid for low and middle-income students. Qualifying students get an approved job, on or off-campus, to support their education.

Passport to College Promise Scholarship program (Passport). Passport was created in 2007 by the state of Washington to help students from foster care attend and succeed in college. Three primary components are administered by WSAC:

- a student scholarship to provide former foster youth with financial assistance beyond other state, federal, private, and institutional financial aid for which they are eligible

- campus incentive funding to postsecondary institutions that designate campus support staff and take other steps to recruit and retain former foster youth; and
- a partnership with the College Success Foundation to provide additional student intervention and retention services to foster youth and to provide training and technical assistance to campus staff.

Summary of Bill (Second Substitute): Subject to appropriations, the Office of Student Financial Assistance, within the WSAC, must administer the Evergreen Free College Program for resident students seeking a bachelor's degree, associate degree, or certificate from a state institution of higher education.

Eligibility for the Evergreen Free College Program. In order to be eligible for the program, the student must:

- be a resident;
- be currently enrolled in a state institution of higher education in an eligible degree or certificate program;
- complete either the FAFSA or the WASFA each academic year in which the student seeks eligibility;

Once a student has earned 45 credits, the student must maintain a cumulative grade point average of 2.0 or higher to remain eligible for the program.

For those eligible students, the program is phased in as follows:

- for the 2019-20 academic year, eligible students may receive an award for a free 13th year. These students must have graduated from high school within the past six calendar months and have a family income that does not exceed 70 percent of the state MFI.
- for the 2020-21 academic year, eligible students may receive an award for six academic quarters or the equivalent in semester hours. These students must have graduated from high school within the past 18 calendar months and have a family income that does not exceed 70 percent of the state MFI.
- for the 2021-22 academic year, eligible students may receive an award for nine academic quarters or the equivalent in semester hours. These students must have graduated from high school within the past 30 calendar months and have a family income that does not exceed 70 percent of the state MFI.
- for the 2022-23 academic year, eligible students may receive an award for 12 academic quarters or the equivalent in semester hours. These students must have graduated from high school within the past 42 calendar months and have a family income that does not exceed 70 percent of the state MFI.
- for the 2023-24 academic year, eligible students may receive an award for 12 academic quarters or the equivalent in semester hours. These students must have graduated from high school and have a family income that does not exceed 70 percent of the state MFI.
- for the 2024-25 academic year, eligible students may receive an award for 12 academic quarters or the equivalent in semester hours. These students must have graduated from high school and have a family income that does not exceed the state MFI.

Students who qualify for the program must receive a grant for an amount that makes up the difference between gift aid the student receives and all tuition, fees, services, and activities fees.

Measurement of Impact. WSAC must report to the appropriate policy and fiscal committees of the Legislature by December 1, 2020, and annually by December 1 thereafter. The following impacts on the program must be reported:

- student enrollment in the eligible degree or certificate programs;
- student completion rates of credits, certificates, and degrees;
- the cost of implementation, including the cost per student;
- additional resources used to meet student needs such as counseling, precollege courses, child care, or transportation; and
- the number of students receiving wraparound services, the number of schools providing wraparound services, and the resources needed to provide wraparound services.

Student Success Course. Subject to appropriations, WSAC must develop a plan to provide all grant recipients with a quarter-long student success course, during or before their first enrollment period, that teaches essential skills for college success. WSAC must provide the plan to the relevant committees of the Legislature by December 1, 2019, and begin implementation of the plan for the 2020-21 academic year.

Washington State Institute for Public Policy (WSIPP) Study. Subject to appropriations, the WSIPP must conduct a study on the effectiveness of the program due to the Legislature by December 1, 2024. The analysis must include:

- changes in enrollments across the higher education system;
- changes in student completion and time-to-degree rates;
- any change in need or delivery of student services; and
- the fiscal impact of the program on students, community or technical colleges, and the state.

Forecasting. Subject to appropriations, the Caseload Forecast Council is required to estimate the anticipated caseload of the grant and report the forecast.

Grants to State Institutions. If the Legislature does not appropriate enough funding to complete implementation of the program, WSAC must provide grants to the state institutions of higher education to implement the program. WSAC must develop criteria for the grants and prioritize aid for at-risk students and programs with funding partners.

EFFECT OF CHANGES MADE BY WAYS & MEANS COMMITTEE (Second Substitute): Makes the following requirements subject to amounts appropriated:

- The student achievement council must develop a plan to provide a student success course.
- The Washington State Institute for Public Policy must study the effectiveness of the program.
- The Caseload Forecast Council must estimate the program's caseload.

EFFECT OF CHANGES MADE BY HIGHER EDUCATION & WORKFORCE DEVELOPMENT COMMITTEE (First Substitute): Changes the name of the program to the Evergreen Free College Program. Modifies the due date of the WSIPP study to December 1, 2024. Removes the requirement for matching funds if insufficient funds for implementation are appropriated.

Appropriation: None.

Fiscal Note: Available.

Creates Committee/Commission/Task Force that includes Legislative members: No.

Effective Date: Ninety days after adjournment of session in which bill is passed.

Staff Summary of Public Testimony on Proposed Substitute (Higher Education & Workforce Development): *The committee recommended a different version of the bill than what was heard.* PRO: We are supportive of intent to make college more accessible, but concerned about the requirement for matching funds if the program is not fully-funded. It would be difficult to find sources for matching funds if required. Fully funding state need grant remains a priority. Access is at the heart of our mission and free college is a foundational element. Students have a right to postsecondary education and this policy reduces barriers.

OTHER: We are supportive of the intent but concerned that this policy would shift enrollments from the private universities. The state need grant remains underfunded. The university already raises funds each year for scholarships and facilities that we would rather not cut into as a result of the matching grant provision.

Persons Testifying (Higher Education & Workforce Development): PRO: Senator Kevin Ranker, Prime Sponsor; Becca Kenna-Schenk, Western Washington University; Charles Adkins, Director of Legislative Affairs, Geoduck Student Union, The Evergreen State College; Mike Meotti, Executive Director, Washington Student Achievement Council; Arlen Harris, State Board for Community and Technical Colleges; Rosa Rice-Pelepko, Associated Students of Western Washington University; Joe Dacca, Director of State Relations, University of Washington.

OTHER: Roy Heynderickx, Saint Martin's University; Violet Boyer, Independent Colleges of Washington; Chris Mulick, Washington State University.

Persons Signed In To Testify But Not Testifying (Higher Education & Workforce Development): No one.

Staff Summary of Public Testimony on First Substitute (Ways & Means): *The committee recommended a different version of the bill than what was heard.* PRO: At least 20,000 students are eligible for, but unserved by, the SNG. The state's institutions of higher education are united behind fully funding the SNG as a top priority. It is also a great idea to send the message to low-income students that they can attend college tuition free.

Persons Testifying (Ways & Means): PRO: Becca Kenna-Schenk, Western Washington University, Council of Presidents.

Persons Signed In To Testify But Not Testifying (Ways & Means): No one.