

HOUSE BILL REPORT

HB 1340

As Reported by House Committee On:
College & Workforce Development

Title: An act relating to establishing a statewide free college program by changing the state need grant to the Washington college promise scholarship.

Brief Description: Establishing a statewide free college program by changing the state need grant to the Washington college promise scholarship.

Sponsors: Representatives Hansen, Leavitt, Gregerson, Orwall, Mead, Bergquist, Sells, Stanford, Stonier, Dolan, Valdez, Goodman, Springer, Macri, Jinkins, Pollet and Wylie; by request of Office of the Governor.

Brief History:

Committee Activity:

College & Workforce Development: 1/22/19, 2/5/19 [DPS].

Brief Summary of Substitute Bill

- Changes the State Need Grant program to the Washington College Promise Scholarship program.
- Makes the Washington College Promise Scholarship program an entitlement for all eligible students.
- Requires the Caseload Forecast Council to forecast the anticipated caseload for the Washington College Promise Scholarship program.

HOUSE COMMITTEE ON COLLEGE & WORKFORCE DEVELOPMENT

Majority Report: The substitute bill be substituted therefor and the substitute bill do pass. Signed by 9 members: Representatives Hansen, Chair; Entenman, Vice Chair; Leavitt, Vice Chair; Bergquist, Paul, Pollet, Ramos, Sells and Slatter.

Minority Report: Do not pass. Signed by 7 members: Representatives Van Werven, Ranking Minority Member; Gildon, Assistant Ranking Minority Member; Graham, Assistant Ranking Minority Member; Kraft, Rude, Sutherland and Young.

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.

Staff: Megan Mulvihill (786-7304).

Background:

The State Need Grant.

The State Need Grant (SNG) is the state's largest financial aid program administered by the Student Achievement Council (Council). To be eligible for the program, a student needs to:

- be a Washington resident;
- have a household income of less than 70 percent of the state's median family income (MFI);
- attend an eligible institution of higher education and maintain satisfactory academic progress;
- enroll with a minimum of three credits as an undergraduate student;
- be pursuing a first bachelor's degree, a certificate, or a first associate's degree in any field excluding theology; and
- not owe repayment to another student aid program.

The SNG award amount varies based on the institution of higher education the student attends and the student's family income. A student with a family income of 50 percent or less of the state's MFI will receive the maximum award amount, whereas a student who has a family income of 70 percent of MFI is eligible to receive 50 percent of the maximum award amount. In addition to income, the SNG award amount varies based on the type of institution a student chooses to attend. The award is not full tuition and fees, but is based on a historical percentage calculation for each institution. For example, for the 2018-19 academic year, a SNG student receiving a full award who attends the University of Washington receives \$9,745. A SNG student who receives the full award amount and attends a public community or technical college receives \$3,694. A SNG student may receive an award for up to five years or 125 percent of their program's length.

For 2018, 68,205 students received a SNG award, and over 22,600 were eligible, but did not receive an award due to funding limits.

The Caseload Forecast Council.

The Caseload Forecast Council (CFC) oversees the preparation and approval of the official state caseload forecasts. The CFC estimates the number of persons expected to meet entitlement requirements and require the service of certain programs or systems, such as public assistance programs, the common school and charter school systems, foster care, and the College Bound Scholarship program.

Summary of Substitute Bill:

Washington College Promise Scholarship Program.

The SNG program is changed to the Washington College Promise Scholarship (Promise Scholarship) program. The Office of Student Financial Assistance (Office) within the Council is to administer the Promise Scholarship program and must award scholarships to all eligible students beginning in academic year 2021-22.

Entitlement. The Legislature is required to appropriate funding for the Promise Scholarship program, and allocations must be made on the basis of estimated eligible participants enrolled in institutions and apprenticeship programs. All eligible students are entitled to a Promise Scholarship.

Eligibility. A student is eligible for the Promise Scholarship if they meet the following requirements:

- has a family income at or below 70 percent of the state MFI, adjusted for family size;
- is enrolled, or accepted for enrollment, for at least three quarter credits or equivalent semester credits at an either an institution that has been authorized to participate in state financial aid programs or in a registered apprenticeship program;
- is a resident student;
- files an application for financial aid; and
- does not already have a baccalaureate degree or higher.

Award Amounts. The maximum Promise Scholarship award is based on the institution the student attends as follows:

- for public two or four-year institutions, the award is tuition and estimated fees for 15 quarter credits or the equivalent;
- for private four-year institutions, the award is the lesser of either the award for a public four-year institution or the institution's tuition for 15 quarter credits or equivalent;
- for private two-year institutions, the award is the lesser of either the award for a public community or technical college or the institution's tuition for fifteen quarter credits or equivalent; and
- for apprenticeship programs, the award is tuition and fees, as determined by the Office, in addition to required program supplies and equipment.

Eligible students with family incomes at or below 50 percent of state MFI must receive a maximum Promise Scholarship award. Students with family incomes between 51 percent and 70 percent MFI receive a prorated award as follows:

Median Family Income Range	Percentage of Maximum Award
51-55 percent	70 percent
56-60 percent	65 percent
61-65 percent	60 percent
66-70 percent	50 percent

An eligible student enrolled part-time must receive a prorated scholarship.

Students can receive the Promise Scholarship for five years or 125 percent of the length of the program in which the student is enrolled. Students need to maintain satisfactory academic progress in order to remain eligible for the Promise Scholarship.

Forecasting. The CFC must estimate the anticipated caseload of the Promise Scholarship program.

Amended References.

"Needy student" or "needy" is amended to "student who demonstrates financial need" or "demonstrates financial need," and "State Need Grant" is changed to "Washington College Promise Scholarship program" throughout the higher education statutes.

The existing Washington Promise Scholarship program is repealed.

Substitute Bill Compared to Original Bill:

The substitute bill added two additional qualifications for eligibility: (1) a student needs to file an annual financial aid application; and (2) must not already have a bachelor's degree or higher to be eligible. Institutions are required to award all need-based financial aid for which a student qualifies, as determined by the institution. In addition, the requirement about part-time, pre-college students being enrolled on a provisional basis was removed, as was the definition for "placebound student." A reference to the apprenticeship chapter of the Revised Code of Washington was updated, and RCW 28B.92.050 regarding the duties of the Office under the SNG was repealed.

Appropriation: None.

Fiscal Note: Preliminary fiscal note available.

Effective Date of Substitute Bill: The bill takes effect on July 1, 2021, except sections 5 and 6, relating to the Caseload Forecast Council, which take effect 90 days after adjournment of the session in which the bill is passed.

Staff Summary of Public Testimony:

(In support) This is the bare minimum the state can do to establish the Promise Scholarship. It is a simplified approach that works within the current SNG program. Sometimes an eligible student can get the SNG, sometimes they cannot. This would make the financial aid a guarantee, and the state cannot underestimate the effect of taking the "if" out of financial aid programs. This would put Washington ahead of other states by creating predictability. The proposal follows the funding in the four-year budget outlook, and this works well with the College Bound Scholarship program as the foundational aid.

The Promise Scholarship benefits students by helping them earn a better income and influences future generations to come by breaking the perpetual generational cycle of poverty. Every student should be able to pursue their dreams, and studies show that students who receive financial aid persist at higher rates. This is especially helpful to students who cannot access federal aid, such as student loans. The state should invest in the transformative power of education. Higher education is invaluable, life changing, and crucial to the sustainability of Washington's economy.

(Opposed) None.

Persons Testifying: Representative Hansen, prime sponsor; Yazmin Aguilar and Mike Meotti, Washington Student Achievement Council; Maddy Thompson, Office of the Governor; Tony Porter, Saint Martin's University; Mustapha Samateh, Edmonds Community College; Ivan Harrell and Kristina Pogosian, Tacoma Community College; Paul Francis, Council of Presidents; Terri Standish-Kuon, Independent Colleges of Washington; Neil Strege, Washington Roundtable; Bill Lyne, United Faculty of Washington; JoAnn Taricani, University of Washington; Juliette Schindler Kelly, College Success Foundation; Essense Russ, Southwest Youth and Family Services; and Griselda Guevara-Cruz, Washington College Access.

Persons Signed In To Testify But Not Testifying: None.