

SENATE BILL REPORT

SB 6593

As Reported by Senate Committee On:
Ways & Means, February 26, 2018

Title: An act relating to higher education.

Brief Description: Relating to higher education. [**Revised for 1st Substitute:** Establishing the evergreen promise program and expanding eligibility for the state need grant.]

Sponsors: Senator Ranker.

Brief History:

Committee Activity: Ways & Means: 2/22/18, 2/26/18 [DPS, DNP, w/oRec].

Brief Summary of First Substitute Bill

- Modifies the state need grant (SNG) to be an entitlement, phased-in by median family income over three biennia.
- Assesses a \$1.50 fee to all enrolled students at public, private, and vocational institutions of higher education for the purpose of administering the state need grant.
- Renames the SNG the Evergreen Promise program.

SENATE COMMITTEE ON WAYS & MEANS

Majority Report: That Substitute Senate Bill No. 6593 be substituted therefor, and the substitute bill do pass.

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

Minority Report: Do not pass.

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

Minority Report: That it be referred without recommendation.

Signed by Senators Bailey, Fain and Rivers.

Staff: Alicia Kinne-Clawson (786-7407), Daniel Masterson (786-7454)

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.

Background: The SNG is the state's largest financial aid program that provides a need-based grant award for students to attend a postsecondary institution. To be eligible for the program, a student must:

- be a Washington State resident;
- 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 degree in any field excluding theology; and
- not owe repayment to another student aid program.

To receive a grant, the eligible student's family income must be less than 70 percent of the state's median family income (MFI). If the eligible student's family income falls below 50 percent of the state's MFI, the student is eligible to receive the maximum SNG award. If the student's family income is between 50 and 70 percent of the state's MFI, the award amount is prorated based on family income. In 2017-18 the state's 70 percent MFI cutoff amount for a family of four was \$62,260.

The student may receive a grant award to attend any eligible postsecondary institution in the state. Currently, there are 66 postsecondary institutions that are authorized to participate in the SNG program. The SNG awards vary based on the type of institution a student chooses to attend. About 21,000 students were eligible to receive the SNG in the 2017-18 academic year, but were unserved.

Summary of Bill: The bill as referred to committee not considered.

Summary of Bill (First Substitute): The State Need Grant is renamed the Evergreen Promise program.

The SNG program is modified to require that students receive the maximum award. That entitlement is phased-in by median family income level across three biennia in the following way:

- in the 2018-19 and 2019-20 academic years, students whose MFI is equal to or less than 50 percent must receive the maximum SNG award;
- in the 2020-21 and 2021-22 academic years, students whose MFI is equal to or less than 60 percent must receive the maximum SNG award; and
- in the 2022-23 and 2023-24 academic years, students whose MFI is equal to or less than 70 percent must receive the maximum SNG award.

Maximum SNG is defined as an award equal to the same percentage of operating fees, building fees, and service and activities fees as were covered in fiscal year 2018.

The Caseload Forecast Council is required to estimate the anticipated caseload of the SNG and report the forecast.

A \$1.50 fee is assessed to all students at the public, private, and vocational institutions of higher education for each term in which they are enrolled for the purpose of administering

the SNG program. The fee must be collected by the institutions of higher education and remitted to the state treasurer.

EFFECT OF CHANGES MADE BY WAYS & MEANS COMMITTEE (First Substitute):

- Modifies the SNG to be an entitlement, phased-in by median family income over three biennia.
- Defines maximum SNG award to be an award equal to the percent of tuition and S&A fees covered by the award in fiscal year 2018.
- Renames the SNG the Evergreen Promise program.
- Assesses a \$1.50 fee to all enrolled students at public, private, and vocational institutions of higher education for the purpose of administering the SNG. The fee must be deposited into the general fund.
- Requires the Caseload Forecast Council to forecast the caseload for the SNG.

Appropriation: None.

Fiscal Note: Requested on February 21, 2018.

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: *The committee recommended a different version of the bill than what was heard.* PRO: For too long we have operated the state's largest financial aid program like a lottery. You may qualify, but you may not get a grant in the end. By making this an entitlement, you serve 20,000 unserved students and you make the whole process easier to understand. Our State Need Grant is a nationally recognized program that is proven to increase student access to higher education, as well as college retention and graduation. This helps our state rank in the top ten for low student loan debt. Funding the need grant and expanding opportunities for students is always something that is a high priority for the independent colleges.

OTHER: We are excited to see this bill move to secure funding to fully fund the SNG over the next biennium. This is something that students in Washington deserve. A fully funded SNG will ensure that students with the most need are financially supported and graduate with less debt.

Persons Testifying: PRO: Marc Webster, Washington Student Achievement Council; Paul Francis, Council of Presidents; Mike Burgess, Independent Colleges of Washington.

OTHER: Guillermo Rogel, Executive Director, Washington Student Association.

Persons Signed In To Testify But Not Testifying: No one.