

HOUSE BILL REPORT

HB 1123

As Reported by House Committee On: College & Workforce Development

Title: An act relating to establishing the Washington promise, providing for affordable access to postsecondary education.

Brief Description: Establishing the Washington promise, providing for affordable access to postsecondary education.

Sponsors: Representatives Pollet, Kilduff, Slatter, Peterson, Valdez, Ryu, Jinkins, Macri, Wylie, Goodman, Doglio, Robinson, Stanford, Frame, Shewmake and Leavitt.

Brief History:

Committee Activity:

College & Workforce Development: 1/22/19, 2/13/19 [DP].

Brief Summary of Bill

- Establishes the Washington Promise as the state's commitment to affordable access to higher education, provided through the College Bound Scholarship program, the State Need Grant (SNG), and a new Washington Promise (Promise) Program.
- Establishes the Promise Program to provide free community and technical college tuition and fees to eligible students, first with a pilot project and then phased-in with full implementation in 2024-25.
- Provides a \$500 cost of attendance stipend for Promise Program students who have a family income that does not exceed 70 percent of the state median family income (MFI).
- Expands SNG eligibility to 100 percent MFI by the academic year 2023-24, and modifies the maximum SNG award.
- Requires the Caseload Forecast Council to forecast the number of eligible students for the Promise and the SNG.
- Allows cities and counties to contribute funds to the Washington State Opportunity Scholarship Program.

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.

HOUSE COMMITTEE ON COLLEGE & WORKFORCE DEVELOPMENT

Majority Report: Do pass. Signed by 10 members: Representatives Hansen, Chair; Entenman, Vice Chair; Leavitt, Vice Chair; Bergquist, Mead, Paul, Pollet, Ramos, Sells and Slatter.

Minority Report: Do not pass. Signed by 6 members: Representatives Van Werven, Ranking Minority Member; Gildon, Assistant Ranking Minority Member; Graham, Assistant Ranking Minority Member; Kraft, Rude and Young.

Staff: Megan Mulvihill (786-7304).

Background:

The State Need Grant.

The State Need Grant (SNG) is the state's largest financial aid program. 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 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 maximum award is not full tuition and fees, but is based on a historical percentage of tuition and fees for each institution. For example, for the 2016-17 academic year, a SNG student receiving a full award who attends the University of Washington receives \$9,348. A SNG student who receives the full award amount and attends a public community or technical college receives \$3,541. A SNG student may receive an award for up to five years or 125 percent of their program's length.

In academic year 2015-16, around 69,000 students received a SNG award, and over 24,000 were eligible, but did not receive an award due to funding limits.

College Bound Scholarship.

The College Bound Scholarship (CBS) is a need-based grant for low-income students. Students who qualify for free or reduced-price lunch in the seventh or eighth grade must sign a pledge that includes a promise to maintain a 2.0 grade point average (GPA) throughout high school and graduate with no felony convictions. After high school graduation, an eligible student who signed and met all the pledge requirements qualifies for a scholarship if the

student is admitted to an eligible institution, files the Free Application for Federal Student Aid (FAFSA) or the Washington Application for State Financial Aid (WASFA), and the student's family income does not exceed 65 percent of the state's MFI. The scholarship covers an amount up to tuition and fees at the highest priced public institution in the state, plus a \$500 annual book stipend.

Washington State Opportunity Scholarship Program.

The Washington State Opportunity Scholarship (WSOS) program provides scholarships to low- and middle-income resident students pursuing eligible high-demand majors in science, technology, engineering, mathematics, and health care. Scholarships are available to students pursuing professional-technical certificates and associate's degrees, bachelor's degrees, and advanced degrees in health professions. The WSOS program is a public-private partnership in which the state matches private contributions in order to fund the scholarships.

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 CBS program.

Summary of Bill:

The Washington Promise is the state's commitment to affordable access to higher education, provided through the CBS, the SNG, and the Promise Program. The Office of Student Financial Assistance (Office) must market the CBS, SNG, and Promise Program as the Washington Promise.

Washington Promise Program.

The Office must administer the Promise Program for students seeking an associate's degree or certificate from a community or technical college (CTC).

Eligibility. To be eligible for the Promise Program, the student must:

- be a resident;
- not have an associate's degree;
- be admitted to an eligible degree program or certificate program at a CTC; and
- complete either the FASFA or the WASFA each academic year in which the student seeks eligibility.

An eligible degree or certificate program is an associate's degree, academic programs with credits that can fully transfer via an articulation agreement toward a baccalaureate degree or postbaccalaureate degree, or a professional and technical program that leads to a recognized postsecondary credential. To remain eligible for the Promise Program, a student needs to maintain a cumulative GPA of 2.0 after he or she earns 45 credits.

Pilot Program. For the 2019-20 academic year, the Office, in consultation with the State Board for Community and Technical Colleges (State Board), must establish the Washington Promise Pilot Program (pilot program) at up to five cities or counties within the following parameters:

- the two largest cities in the state;
- one city or county located on the east side of the Cascade mountains; and
- one or two cities or counties located on the west side of the Cascade mountains.

Under the pilot program, the Promise Program must provide tuition-free access to the CTCs within the participating city or county for students who have recently earned a high school diploma or equivalent. To participate in the pilot program, the city or county must match any state funds they receive to implement the Promise Program. The city or county matching funds may be the same contributions the city or county provided to the WSOS program for the Student Support Pathways Account.

Implementation. The Promise Program is implemented in phases as follows:

- For the 2020-21 academic year, students may receive an award for a free thirteenth year, or three academic quarters, if they: (1) have graduated high school within the past six calendar months before enrolling in a CTC; and (2) have a family income that does not exceed 70 percent of the state MFI, adjusted for family size.
- For the 2021-22 academic year, students may receive an award for six academic quarters, if they: (1) have obtained a high school diploma or equivalent within the past six calendar months before enrolling in a CTC; and (2) have a family income that does not exceed 70 percent of the state MFI, adjusted for family size.
- For the 2022-23 and 2023-24 academic years, students may receive an award for six academic quarters, if they: (1) have obtained a high school diploma or equivalent within the past 16 calendar months before enrolling in a CTC; and (2) have a family income that does not exceed the state MFI, adjusted for family size.
- Beginning with the 2024-25 academic year, students may receive an award for six academic quarters, if they: (1) have obtained a high school diploma or equivalent; and (2) have a family income that does not exceed the state MFI, adjusted for family size.

Award. Students who qualify for the Promise Program must receive a grant for an amount up to the cost of tuition and fees, services and activities fees, and if eligible, a cost of attendance stipend, less all other gift aid the student receives. The Promise Program must not result in a reduction of gift aid. For students who have a family income that does not exceed 70 percent of the state MFI, the student must receive an annual stipend of up to \$500 for books and other higher education expenses. If a student enrolls for less than full-time status, the stipend must be prorated based on the number of credits the student is enrolled in.

Student Supports. The State Board must develop a plan to provide all Promise Program students with a quarter-long student success course, during or before their first enrollment period, that teaches essential skills for college success. The State Board must provide the plan to the Legislature by December 1, 2019, and begin implementation of the plan for the 2020-21 academic year.

Evaluation. The Student Achievement Council (Council), in collaboration with the State Board, must conduct a study on the effectiveness of the Promise Program. The analysis must include changes in enrollments across the higher education system; changes in student completion and time-to-degree rates; any change in the demand of student services; and the fiscal impact of the Promise Program on students. The report is due to the Legislature by December 1, 2024.

State Need Grant.

The maximum SNG award is amended to be as follows:

- For students attending a four-year institution, the award must be equal to tuition and fees, and services and activities fees, but not to exceed tuition and fees at the highest priced public institution of higher education in the state.
- For students attending a two-year institution, the award must be equal to tuition and fees, and services and activities fees, but not to exceed tuition and fees at the state's CTCs.

The Office must award the maximum SNG award to eligible students whose state MFI is at or below the following thresholds:

- For the 2019-20 and 2020-21 academic years, 60 percent of the state MFI;
- For the 2021-22 and 2022-23 academic years, 70 percent of the state MFI; and
- Beginning with the 2023-24 academic year, 100 percent of the state MFI.

Until the 2023-24 academic year, if an eligible student has a state MFI above the thresholds outlined above, the Office must prioritize SNG awards by considering financial need and whether a student is a former foster or homeless youth.

Washington Opportunity Scholarship Program.

Cities and counties may contribute to the Student Support Pathways Account, which is the account that professional-technical certificates and degrees are awarded from, and have their contributions be treated as private dollars for the purpose of the state match. The state match for city and county contributions may be provided to the WSOS program as soon as proof is provided to the Council.

Caseload Forecast Council.

The CFC is required to estimate the anticipated caseloads of the Promise and the SNG programs and report the forecasts.

Appropriation.

The SNG, state work-study, and the CBS appropriations must be structured as a pool appropriation to the Council.

The existing Washington Promise program is repealed.

Appropriation: The sum of \$2 million.

Fiscal Note: Preliminary fiscal note available.

Effective Date: The bill contains an emergency clause and takes effect on July 1, 2019.

Staff Summary of Public Testimony:

(In support) Every low- and middle-income student should not be denied the opportunities of a higher education just because of their income status or the failure of the state to provide student supports. Washington would be the twelfth state to adopt a Promise Program. It is a clear message and commitment from the state that students below a MFI, you do not have to worry about which program you qualify for; they can all attend college. Students also need the support, advising, and mentoring to finish college, not just the financial aid.

Evidence shows that the thirteenth year is a tipping point for continuing education. The Seattle Promise Program found that 56 percent of the students said they would not have considered college had it not been for the Seattle Promise Program. This bill embodies the best research practices and eliminates barriers to participation in higher education. The great thing about the community and technical colleges is the open access for students. The colleges admit everyone, but access is stymied by affordability. It costs \$4,000 a year for tuition, and this bill address the affordability. However, the community and technical colleges want to ensure that this is a grant program and not a waiver program.

(Opposed) None.

Persons Testifying: Representative Pollet, prime sponsor; Chris Alejano, City of Seattle; Lorrell Noahr, Washington Education Association; Warren Brown, North Seattle College; Arlen Harris, State Board for Community and Technical Colleges; and Shouan Pan, Seattle Colleges.

Persons Signed In To Testify But Not Testifying: None.