

---

## College & Workforce Development Committee

---

### HB 2255

**Brief Description:** Encouraging Washington college grant recipients to reside or work in Washington after graduation.

**Sponsors:** Representative Gildon.

#### Brief Summary of Bill

- Modifies the Washington College Grant (WCG) to require junior and senior level students to reside or work in Washington for two-years following graduation or be required to repay the WCG as a student loan.
- Requires the Student Achievement Council to convert grants to 0-percent interest student loans for WCG recipients who do not reside or work in Washington following graduation.
- Establishes the WCG Loan Repayment Account, in which loan repayments are to be collected and used to reduce or prevent an increase in the cost of tuition at public higher education institutions whenever funds reach a specific threshold.

**Hearing Date:** 1/14/20

**Staff:** Megan Mulvihill (786-7304).

#### Background:

The State Need Grant was modified in 2019 and renamed the Washington College Grant (WCG). The WCG is the state's largest financial aid program and provides awards to low-income students to pursue postsecondary education. The WCG is an entitlement program with guaranteed awards for those students who qualify. Beginning with the 2020-21 academic year, to qualify for an award the student needs to meet the following:

- be a Washington resident;
- have a family income no greater than 100 percent of the state median family income;

---

*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.*

- attend an eligible institution of higher education or apprenticeship program and maintain satisfactory academic progress;
- enroll in a minimum of three quarter credits or the equivalent;
- file an annual financial aid application; and
- not already possess a bachelor's degree or higher.

The WCG award amount varies based on the institution the student attends and the student's family income. For students attending the state's public institutions, the maximum award is tuition and services and activities fees for 15 quarter credit hours or the equivalent. An eligible student may receive a WCG for five years or up to 125 percent of the published length of the student's program. Part-time students receive prorated awards. The table below indicates the 2020-21 award amounts based on the institution the student attends and the percentage of award the student is eligible to receive based on income. The state median family income for a family of four in 2019-20 was \$92,000.

<b>Median Family Income Range</b>	<b>Percentage of Award</b>
0-55 percent	100 percent
56-60 percent	70 percent
61-65 percent	60 percent
66-70 percent	50 percent
71-75 percent	24.5 percent
76-100 percent	10 percent

**Summary of Bill:**

A WCG recipient with junior or senior standing must agree to reside or work in Washington for one year for each academic year of WCG received during the student's junior and senior years, for a maximum of two years. The WCG recipient must sign a contract with the Student Achievement Council (Council) agreeing to have their WCG converted to a 0-percent interest student loan should the student fail to reside or work in Washington for the required time period. The student must prove Washington residency or employment by providing appropriate documentation to the Council every six months after graduation or discontinuing enrollment in a higher education institution. Residency or employment documentation includes a recent home utility bill, auto insurance policy, or a recent paycheck, amongst other options listed in the bill.

The Council, as WCG administrator, must verify and track residence and employment of WCG recipients. In addition, the Council must convert grants to student loans for recipients who fail to reside or work in Washington. The Council must define repayment terms; collect repayments; maintain records; establish an appeals process; and establish rules for deferment and forbearance, exemptions for active duty military and their dependents, and for discharging loans in the event of total disability or death.

The WCG Loan Repayment Account is created in the custody of the State Treasurer. All receipts from loan repayments must be deposited into the account. Expenditures are allowed for administration and loan collection, but may not exceed 15 percent of the total receipts. When any remaining funds in the WCG Loan Repayment Account accrue sufficient funding to reduce

or prevent an increase in the cost of tuition by at least 1 percent, those funds must be transferred to the Institutions of Higher Education Operating Fees Account. The transferred funds must be used to reduce or prevent an increase in the cost of tuition at public institutions of higher education.

**Appropriation:** None.

**Fiscal Note:** Requested on January 9, 2020.

**Effective Date:** The bill takes effect 90 days after adjournment of the session in which the bill is passed.