
College & Workforce Development Committee

HB 2254

Brief Description: Encouraging Washington college grant recipients to pursue high demand degrees.

Sponsors: Representative Gildon.

Brief Summary of Bill

- Modifies the Washington College Grant (WCG) to require students enrolled in baccalaureate programs during their junior and senior years to pursue a high demand degree or incur an obligation to repay the grant funding received during those years.
- Requires the Workforce Education Investment Accountability and Oversight Board, in consultation with the Student Achievement Council (Council) and the Workforce Training and Education Coordinating Board, to determine every four years which undergraduate programs qualify as high demand programs.
- Requires the Council to convert grants to zero interest student loans for those recipients not pursuing high demand programs.
- 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

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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;
- 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 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.

Median Family Income Range	Percentage of Award
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:

The WCG is modified so that WCG recipients in their junior and senior years must sign a contract acknowledging that unless they enroll in a high demand program, they incur an obligation to repay the WCG received during their junior and senior years. A WCG recipient not enrolled in a high demand program will have their grant turned into a 0-percent interest loan six months after graduation or six months after discontinuing enrollment at an institution. High demand program is defined as a baccalaureate degree program in which the projected employment demand exceeds the number of students per year prepared for employment from in-state programs in that career field by 10 percent or more.

It is the responsibility of the Workforce Education Investment Accountability and Oversight Board, in consultation with the Student Achievement Council (Council) and the Workforce Training and Education Coordinating Board, to determine every four years which undergraduate programs qualify as high demand programs. The Council must maintain a list of qualifying high demand programs on their website and make the list readily available to WCG recipients. As administrator of the WCG, the Council is tasked with the following additional duties:

- collaborating with the institutions of higher education to verify enrollment in high demand programs for WCG recipients;

- defining repayment terms for grants turned into loans, with a maximum repayment term of 10 years;
- collecting repayments;
- maintaining records; and
- establishing an appeals process, rules for deferment and forbearance, and rules 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 8, 2020.

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