

# HOUSE BILL REPORT

## HB 2523

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**As Reported by House Committee On:**  
College & Workforce Development

**Title:** An act relating to expanding access to higher education.

**Brief Description:** Expanding access to higher education.

**Sponsors:** Representatives Ortiz-Self, Slatter, Leavitt, Valdez, Pollet and Bergquist; by request of Lieutenant Governor.

**Brief History:**

**Committee Activity:**

College & Workforce Development: 1/22/20, 2/4/20 [DPS].

**Brief Summary of Substitute Bill**

- Requires the Washington Student Achievement Council (WSAC) to develop a centralized online statewide calculator tool to estimate combined financial aid packages.
- Requires the WSAC to develop clear, consistent standards for institutions to adopt regarding financial aid award packages.
- Requires the creation of a financial aid advising day for high school students.
- Requires the inclusion of additional scholarship opportunities in the High School and Beyond Plan.

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### HOUSE COMMITTEE ON COLLEGE & WORKFORCE DEVELOPMENT

**Majority Report:** The substitute bill be substituted therefor and the substitute bill do pass. Signed by 14 members: Representatives Hansen, Chair; Entenman, Vice Chair; Leavitt, Vice Chair; Van Werven, Ranking Minority Member; Gildon, Assistant Ranking Minority Member; Bergquist, Mead, Paul, Pollet, Ramos, Rude, Sells, Slatter and Young.

**Minority Report:** Do not pass. Signed by 3 members: Representatives Graham, Assistant Ranking Minority Member; Kraft and Sutherland.

**Staff:** Elizabeth Allison (786-7129).

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*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:**

### Federal Student Aid.

The Free Application for Federal Student Aid (FAFSA) is a free application filled out by prospective college or graduate students to determine eligibility for federal government-sponsored aid.

A FAFSA can determine if students are, among other things, eligible for a Pell Grant, which is a need-based grant to low-income undergraduate students. Grants are dependent on the student's expected family contribution, the cost of attendance at an institution, the student's enrollment status (part-time or full-time), and whether the student attends for a full academic year or less. It is determined on a year-by-year basis.

### State Student Aid.

The Washington Application for State Financial Aid (WASFA) is a free application for state financial aid. State financial aid is administered by the Student Achievement Council, and can include the Washington College Grant (WCG), the College Bound Scholarship (CBS), or State Work Study.

The WCG assists the state's lowest-income undergraduate students in pursuing degrees or training for new careers by providing grants to cover full and partial tuition.

The CBS is an early commitment of state financial aid to students who sign up in middle school and fulfill the scholarship pledge. Students in seventh and eighth grade may apply for the scholarship if the student meets certain household income requirements, is currently in foster care of a dependent of the state, or if the student's family currently receives certain food assistance benefits.

### Net Price Calculator.

The Higher Education Act requires each postsecondary institution participating in federal student aid programs to post a net price calculator on its website. Net price calculators allow prospective students to find an estimate of the cost to attend an institution based on information about the student. Institutions may use the Department of Education's net price calculator template or develop their own customized calculators. The information produced by the calculator must include:

- the estimated:
  - total cost of attendance;
  - tuition and fees;
  - room and board;
  - books and supplies;
  - other expenses;
  - total grant aid; and
  - net price;
- the percentage of the cohort that received grant aid; and
- caveats and disclaimers.

### Financial Aid Package Award Letters.

Financial aid package award letters are sent by each school to students who have been accepted to an institution and awarded financial aid. The letter provides cost of attendance for one year and how the financial aid package will measure up to that cost. There is no standard format for institutions to follow.

#### Financial Aid Requirements for High Schools.

To graduate from high school, each student must have a High School and Beyond Plan to guide and inform the student on course taking and assist with college and career planning. Related to financial aid, the plan must include evidence that the student has received information on federal and state financial aid programs, including information about the necessary documentation for completing applications, application timelines and submission deadlines, and information specific to students who are or have been in foster care, students who are at risk of being homeless, and students whose family member or guardians will be required to provide financial and tax information necessary to complete applications. The plan must also include evidence that the student has received opportunities to participate in sessions that assist students (and their family members or guardians as necessary) in filling out their financial aid applications.

#### The Council of Presidents.

The Council of Presidents (COP) is a voluntary association of Washington's six public four-year institutions of higher education. The COP works to advance collaboration, cooperation, and efficiency across public four-year institutions.

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### **Summary of Substitute Bill:**

#### Centralized Calculator Tool.

The Washington Student Achievement Council (WSAC) is required to adopt a centralized online statewide calculator tool to estimate combined financial aid packages from the federal Pell Grant and the WCG program for Washington's four-year institutions of higher education. The tool must provide financial aid estimates based on student and family financial circumstances. The calculator must be posted on a website managed by the WSAC. The tool is for estimation purposes only and does not guarantee state aid. Students must be able to use the calculator anonymously, and it must not collect or share any data.

#### Financial Aid Package Award Letters.

The WSAC must collaborate with the COP to develop clear, consistent standards regarding financial aid package award letters for institutions of higher education to adopt. By July 1, 2021, all institutions of higher education and independent colleges of Washington must adopt uniform terminology and a standardized template for financial aid package award letters.

#### Requirements for High Schools.

Beginning with the 2020-21 school year, in coordination with WSAC and the Office of the Superintendent of Public Instruction (OSPI) all school districts with a high school must provide both a financial aid advising day and notification of financial aid opportunities, including community-based resources, to parents and guardians of students entering twelfth grade.

The OSPI is required to facilitate a financial aid advising day with all school districts with a high school. A financial aid advising day is a day or series of days between September 1 and December 1 of each year that must include dedicated time during regular school hours for staff to provide twelfth grade students with information on the FAFSA and the WASFA, and to assist students in completing the applications as appropriate. The OSPI and the WSAC are required to distribute information on the WCG and demonstrate the use of the financial aid calculator tool.

The Washington State School Directors' Association must develop model policies describing minimum standards for the financial aid advising day that school district board of directors may adopt.

The High School and Beyond Plan must include information on the WCG and local scholarship opportunities.

The OSPI is required to coordinate with the WSAC whenever possible to assist districts in providing opportunities outside of regular school hours for parents to participate in seminars on financial aid applications, and whenever possible, provide interpreter services.

Students may choose to opt out of these activities with written consent of the parent if under the age of 18, and without consent if over the age of 18. Neither students nor staff may be punished for a student's failure to complete financial aid applications or a student's choice to opt out of activities.

No organization may collect or share any personally identifiable student or family information, including mailing or home addresses, social security numbers, immigration status, or employment records.

#### **Substitute Bill Compared to Original Bill:**

The substitute bill makes the following changes:

- requires the WSAC to adopt, rather than develop, a centralized online statewide calculator tool;
- requires the calculator tool to provide an estimate of state and federal aid based on student and family financial circumstances, rather than on expected family contribution;
- requires the centralized online calculator tool to be published on a website managed by the WSAC, rather than on public four-year institutions' websites;
- requires school districts to provide at the beginning of the school year both a financial aid advising day and notification of financial aid opportunities, including community-based resources, to parents and guardians of any student entering twelfth grade;
- permits school districts to administer the financial aid advising day in accordance with information-sharing requirements set in the High School and Beyond Plan;
- directs the Washington State School Directors' Association to develop model policies describing minimum standards for the financial aid advising day that school district board of directors may adopt;

- provides that school districts are encouraged to engage in the WSAC's financial aid advising training;
  - expands the time period of "financial aid advising day" to include a day or series of days between September 1 and December 1 of each year, rather than a day or series of days in September;
  - updates the data protection and privacy language;
  - requires the inclusion of information on the WCG and local scholarship opportunities, in addition to the CBS, as part of the High School and Beyond Plan;
  - requires an electronic platform for the High School and Beyond Plan to include a sample financial aid award letter and a link to the online calculator tool, at such a time as those materials are finalized, to be eligible for inclusion on the OSPI's list of available electronic platforms; and
  - includes a severability clause.
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**Appropriation:** None.

**Fiscal Note:** Preliminary fiscal note available.

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

**Staff Summary of Public Testimony:**

(In support) The bill addresses nonfinancial barriers to higher education which can be just as meaningful as financial ones. The bill allows students a clearer pathway to get to school. Students who have not gone to college yet may not know if they can afford it, and this may prevent those students from completing financial aid applications. The different calculators and financial aid award letters differ and can be very confusing for students. The financial aid calculator is important for clear guidance on what a student can expect to receive. Applications can be difficult to figure out. It can also be difficult for students to go talk to counselors when students have jobs and other obligations, and it can be intimidating. Washington is within the bottom five states for completion of the FAFSA. Ninety percent of seniors who complete the FAFSA start college immediately, as opposed to around 50 percent for those who do not fill out the FAFSA. Schools are a good place to provide opportunities to educate students on financial aid awareness. The financial aid advising days would fall to staff and schools who are already stretched thin. To implement this requirement, there may be a need for additional counselors and staff to help trainers work with students. Also, students who opt out of financial aid advising day should have as much privacy protection as possible.

(Opposed) None.

(Other) Schools are already taking time to discuss the FAFSA and the WASFA, and schools are already required under High School and Beyond Plans to provide financial aid help. The standardized award template from community and technical colleges is following Opportunity Pathways from 10 years ago, and commonality may be difficult at the

community and technical college level as there are some scholarships only available at the community and technical colleges. The WSAC is working on a text campaign to respond to students who have questions and has reached over 10,000 students. The "train the trainer" work for the State Board for Community and Technical Colleges is ongoing, but there is work to be done to figure out the impact. The WSAC is encouraged to seek additional support to increase the FAFSA completion rate. The calculator tool is good for giving guidance on what a student can expect to receive.

**Persons Testifying:** (In support) Representative Ortiz-Self, prime sponsor; Cyrus Habib, Office of the Lieutenant Governor; Juliette Schindler Kelly, College Success Foundation; April Shine, Foundation for Tacoma Students; Spencer Lively, Associated Students of the University of Washington; and Simone Boe, Washington Education Association.

(Other) Roz Thompson, Association of Washington School Principals; Scott Copeland, State Board for Community and Technical Colleges; and Heather Hudson, Washington Student Achievement Council.

**Persons Signed In To Testify But Not Testifying:** None.