

HOUSE BILL REPORT

E2SHB 1659

As Amended by the Senate

Title: An act relating to making higher education more affordable and accessible for students by bridging the gap between cost and need to reduce barriers, improve opportunity, and advance economic security.

Brief Description: Making higher education more affordable and accessible for students by bridging the gap between cost and need to reduce barriers, improve opportunity, and advance economic security.

Sponsors: House Committee on Appropriations (originally sponsored by Representatives Slatter, Sullivan, Leavitt, Ryu, Morgan, Berry, Ramel, Thai, Wicks, Sells, Johnson, J., Berg, Bateman, Valdez, Chopp, Walen, Fey, Goodman, Gregerson, Taylor, Macri, Simmons, Wylie, Kloba, Pollet, Ormsby, Harris-Talley, Hackney and Frame).

Brief History:

Committee Activity:

College & Workforce Development: 1/12/22, 1/20/22 [DPS];
Appropriations: 1/31/22, 2/4/22 [DP2S(w/o sub CWD)].

Floor Activity:

Passed House: 2/13/22, 83-15.
Senate Amended.
Passed Senate: 3/4/22, 38-10.

Brief Summary of Engrossed Second Substitute Bill

- Expands the Washington College Grant (WCG) program by modifying the income eligibility thresholds and award levels.
- Entitles WCG students who are receiving the maximum WCG award to a bridge grant, which is an additional annual stipend for expenses beyond tuition and fees.

This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not part of the legislation nor does it constitute a statement of legislative intent.

HOUSE COMMITTEE ON COLLEGE & WORKFORCE DEVELOPMENT

Majority Report: The substitute bill be substituted therefor and the substitute bill do pass. Signed by 9 members: Representatives Slatter, Chair; Entenman, Vice Chair; Leavitt, Vice Chair; Chambers, Ranking Minority Member; Jacobsen, Assistant Ranking Minority Member; Hansen, Paul, Pollet and Sells.

Minority Report: Do not pass. Signed by 4 members: Representatives Chandler, Hoff, Kraft and Sutherland.

Staff: Megan Mulvihill (786-7304).

HOUSE COMMITTEE ON APPROPRIATIONS

Majority Report: The second substitute bill be substituted therefor and the second substitute bill do pass and do not pass the substitute bill by Committee on College & Workforce Development. Signed by 29 members: Representatives Ormsby, Chair; Bergquist, Vice Chair; Gregerson, Vice Chair; Macri, Vice Chair; Stokesbary, Ranking Minority Member; Chambers, Assistant Ranking Minority Member; Corry, Assistant Ranking Minority Member; MacEwen, Assistant Ranking Minority Member; Boehnke, Caldier, Chandler, Chopp, Cody, Dolan, Fitzgibbon, Frame, Hansen, Harris, Jacobsen, Johnson, J., Lekanoff, Pollet, Ryu, Senn, Springer, Steele, Stonier, Sullivan and Tharinger.

Minority Report: Do not pass. Signed by 2 members: Representatives Dye and Rude.

Minority Report: Without recommendation. Signed by 2 members: Representatives Hoff and Schmick.

Staff: Kate Henry (786-7349).

Background:

The Washington College Grant (WCG) is the state's largest financial aid program and provides grants to low-income students to pursue postsecondary education. The WCG is an entitlement program with guaranteed grants for students who qualify. To qualify, a student must meet the following criteria:

- demonstrate financial need;
- be a state resident;
- be enrolled at a Washington higher education institution or be enrolled in an approved, registered apprenticeship program;
- file a financial aid application; and
- not already have a bachelor's degree or higher.

The WCG award amounts vary based on the institution the student attends and the student's

family income. Financial need is based on the state's median family income (MFI) and the student's family size. The WCG awards are prorated based on the student's family income level as follows:

Median Family Income	Grant Award Amount
0-55 percent of state MFI	Maximum Award
56-60 percent of state MFI	70 percent of maximum award
61-65 percent of state MFI	60 percent of maximum award
66-70 percent of state MFI	50 percent of maximum award
71-75 percent of state MFI	24.5 percent of maximum award
76-100 percent of state MFI	10 percent of maximum award

The maximum WCG award covers tuition and services and activities fees for 15 quarter credits or the equivalent at the state's public institutions. For example, the 2021-22 maximum award for students attending the University of Washington is \$11,339. For students attending private institutions, the maximum award amounts vary based on statutorily set amounts. For example, the maximum award for a student attending a private non-profit institution is \$9,739. A student is eligible to receive the WCG for five years or up to 125 percent of the published length of the student's program.

Summary of Engrossed Second Substitute Bill:

Washington College Grant Expansion.

The WCG income eligibility thresholds and award amounts are expanded. For academic years 2022-23 and 2023-24, the following WCG income eligibility thresholds and award amounts apply per the table below:

Median Family Income	Award Amount
0-60 percent of state MFI	Maximum Award
61-70 percent of state MFI	60 percent of maximum award
71-75 percent of state MFI	50 percent of maximum award
76-80 percent of state MFI	25 percent of maximum award
81-100 percent of state MFI	10 percent of maximum award

Beginning with academic year 2024-25, the following WCG income eligibility thresholds and award amounts apply per the table below:

Median Family Income	Award Amount
0-70 percent of state MFI	Maximum Award
71-80 percent of state MFI	50 percent of maximum award
81-90 percent of state MFI	25 percent of maximum award

91-100 percent of state MFI	10 percent of maximum award
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Bridge Grants.

Beginning with the 2022-23 academic year, the WCG recipients who are receiving a maximum WCG award are also entitled to receive a bridge grant. A bridge grant is an annual stipend provided in addition to the WCG to provide supplementary financial support to low-income students to cover higher education expenses beyond tuition and fees, such as books, lab fees, supplies, technology, transportation, housing, and child care. For the 2022-23 and 2023-24 academic years, WCG recipients receiving a maximum award, but who are not recipients of the College Bound Scholarship, must receive a \$500 annual bridge grant. Beginning with the 2024-25 academic year, the bridge grant award amounts are as follows:

- for WCG recipients who are also recipients of the College Bound Scholarship, the bridge grant is \$500 annually; or
- for WCG recipients who are not College Bound Scholarship recipients, the bridge grant is \$1,000 annually.

To receive the full bridge grant for which the student qualifies, the student must be enrolled on at least a half-time basis. Bridge grants are applied to a student's financial aid package after all other gift aid has been awarded. The Washington Student Achievement Council must ensure that each higher education institution provides students with the option to either apply the bridge grant to the student's account or have the bridge grant disbursed directly to the student.

EFFECT OF SENATE AMENDMENT(S):

The Senate amendment eliminates the increases for Washington College Grant (WCG) awards and maintains the current award levels and income ranges. In addition, the bridge grants are limited to a four-year pilot program rather than established as an entitlement for all students receiving the maximum WCG award. Students receiving a maximum WCG award, but not a College Bound Scholarship award, and who are attending Eastern Washington University, the Evergreen State College, Highline College, Yakima Valley College, Wenatchee Valley College, or Tacoma Community College on at least a half-time basis are eligible for the bridge grant. Under the pilot program, the bridge grant award amounts are \$500 annually. The Senate amendment requires the Washington Student Achievement Council (WSAC) to study the implementation of the bridge grant pilot program on postsecondary enrollment, persistence, and completion using a rigorous research design. The Education Research and Data Center is also required to submit necessary data to the WSAC to complete the study. A report from WSAC is due to the Legislature by June 1, 2027. The bridge grant pilot program expires June 30, 2026.

Appropriation: None.

Fiscal Note: Available.

Effective Date: The bill takes effect 90 days after adjournment of the session in which the bill is passed. However, the bill is null and void unless funded in the budget.

Staff Summary of Public Testimony (College & Workforce Development):

(In support) A student should not have to be extraordinary lucky or wealthy to get a postsecondary credential, but that is what has been happening for a while and has been exacerbated by the pandemic. Wealthy students are five times more likely to earn a bachelor's degree compared to the lowest income students. Many students face significant barriers to completing a degree. The state must find a way for talented and hardworking Washingtonians, particularly those from low-income backgrounds, to compete for living wage jobs. There are critical workforce shortages in many fields, and Washington needs a skilled workforce for an economically resilient and healthy state. Based on a labor market analysis, Washington employers are expected to add 373,000 net new jobs and 70 percent require a credential. Washington is 10 percentage points behind the national average for degree attainment despite the WCG being one of the most equitable and robust financial aid programs in the country. The class of 2019 is expected to achieve credentials at a rate of 43 percent, nearly 30 points short of the state's goal. Between 2006 and 2019, high school graduation increased 9 percent, postsecondary graduation increased 7 percent, and enrollment declined 2 percent. Washington's K-12 direct enrollment rate has remained at 60 percent for the past 10 years and is now worse due to COVID-19. During the pandemic, postsecondary enrollment is down 5.6 percent overall.

Financial aid is the foundation of increasing enrollment and this recognizes the barrier of the total cost of attendance for many students. Students with family incomes up to 70 percent MFI would receive a full WCG award. This means that for a family of four making \$61,000 annually, it is a minimum of \$1,800 additionally awarded. Expanding the WCG and providing bridge grants will help prevent students with great potential from withdrawing because they cannot afford college. Many students still struggle to get through a basic education. The bridge grants help pay for other expenses beyond tuition, addressing students' needs for housing, food, transportation, and child care. Bridge grants equal rent payments, less debt, and a cushion against a crisis. A bump in the road doesn't equal a train wreck. This also impacts students who are hesitant about starting college. Education is a right that all deserve, and the state would take one step closer to achieving educational freedom. This bill will go a long way in making public higher education public again, making community and technical college free for all, and helps improve racial disparities and promote equity.

There are more than 60,000 students that will qualify for the bridge grant at the \$1,000 level. At the University of Washington, this proposal would extend full tuition coverage to 1,879 students across the different campuses, bringing the number of students with full tuition coverage to 10,000. At Western Washington University, 4,200 students are receiving the WCG. An additional 630 students will become newly eligible for a full WCG award. At Central Washington University (CWU), more than one third of undergraduate

students are eligible for the Federal Pell Grant, which means they have an income below \$30,000. Under this proposal, another 10 percent of students, which is about 1,000, would be included for a full award at the CWU. The nonprofit colleges are playing an essential role in cultivating talent as two out of five students count on financial assistance, students are increasingly the first in their families to earn a college degree, and the majority of these students are black, indigenous, students of color, or female.

It is more important than ever that the state graduate nursing students who can fill critical positions. Many nursing students struggle to access the support systems that will allow them to be successful. Nursing schools report that access to child care and tutoring are essential, and bridge grants will help with this.

In a legislative environment, it is exotic to think that no matter what you are working on, somewhere there has got to be a state who is doing it better. Well, there isn't. What started as an effort to fully fund the State Need Grant has turned into the WCG and this effort to bring the full power of the college grant to more families. This proposal helps rebuild Washington's great commitment to affordability, that was temporarily marred by recessions. For students hearing about exploding student loan debt, it's different here. Do it for the kids. Do it for the state's economy. Just do it.

(Opposed) None.

Staff Summary of Public Testimony (Appropriations):

(In support) Washington is 10 percentage points below other states for credential attainment. To build a strong economy and future for Washington, students need support. Everyone should have access to higher education and economic security regardless of their socioeconomic status. The cost of college is terrifying. Low-income and middle-class students need additional help to attend higher education because even with family support, many still struggle to afford the cost. Students might be working multiple jobs and still find it hard to get out of poverty. The availability for undocumented students is also important. The additional bridge grants recognize that tuition is not the only barrier, and will assist with the increased cost of living, help meet basic needs, and help students persist and complete. Students at rural colleges have more need for financial aid to cover transportation and childcare costs. Additional financial support helps students focus on their studies. This proposal makes students feel seen and positively impacts affordability.

At North Seattle College, there are 600 students who would have an expanded award, and around 2,500 students would be eligible to receive the bridge grant. At Green River College 361 students would receive an increased award, and 1,500 students would be eligible for the bridge grant.

The state has a responsibility to look at outcomes to determine whether investments are making a difference. Research shows that additional support improves completion rates for

low-income students. The state should consider this an investment now versus paying later. This is a bridge to a better tomorrow.

(Opposed) None.

Persons Testifying (College & Workforce Development): Representative Vandana Slatter, prime sponsor; Jacob Vigdor, University of Washington Faculty and Council of Faculty; Joe Dacca, University of Washington; Sunshine Cheng, Xochilt Lopez, and Arlette Lopez-Rodriguez, Communities for Our Colleges; Evans Kaame, Communities for Our Colleges Coalition and Washington Student Association; Mirian Mencias and Yokiko Hayashi-Saguil, Washington State Board for Community and Technical Colleges; Bill Lyne, United Faculty of Washington State; Chris Mulick, Washington State University; Becca Kenna-Schenk, Western Washington University; Heather Hudson, Washington Student Achievement Council; Terri Standish-Kuon, Independent Colleges of Washington; Katharine Weiss, Washington State Nurses Association; Lizbeth Rivera-Estrada, The Washington Bus, Communities for Our Colleges Coalition; Edgar Espino, Associated Students of Central Washington University and Washington Student Association; Neil Strege, Washington Roundtable; Landis Hanson, Associated Students of Central Washington University; Carla Naccaratto-Sinclair, Washington Education Association—Association of Higher Education; Zackary Turner, Washington Student Association; Sequoia Dolan, Bellevue College Coalition; Jim Wohlpart, Central Washington University; Angie Hinojos and Carlos Jimenez, Centro Cultural Mexicano; HyeEun Park, American Federation of Teachers Washington; Greg Bem, Lake Washington Federation of Teachers; Simone Boe, Washington Education Association; and Joe Kendo, Washington State Labor Council, American Federation of Labor and Congress of Industrial Organizations.

Persons Testifying (Appropriations): Representative Vandana Slatter, prime sponsor; Marlowe Lawson; Sadie Szeto; Evelyn Roehn, Associated Students of Central Washington University; Yokiko Hayashi-Saguil, Mirian Mencias, and Melissa Littleton, Washington State Board for Community and Technical Colleges; Brianne Sanchez, North Seattle College; Teresa Robinson-Duane, Green River College; Devin Moreno; Evans Kaame, Communities for Our Colleges Coalition and Washington Student Association; Anna-Marie Magdalena, American Federation of Teachers Washington; Camille Pameroy, Renton Federation of Teachers Local; Mark Gorecki, Centralia Local 4469; Nancy Cruz, Communities for Our Colleges Coalition; and Michael Saunders, Associated Students of the University of Washington.

Persons Signed In To Testify But Not Testifying (College & Workforce Development): None.

Persons Signed In To Testify But Not Testifying (Appropriations): None.